

The Nation's Business

Volume III

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Number 8

The Trade Germany and Austria Have Lost

Safeguarding Our Waters for Commerce

The Chambers of Commerce of France

Training Men to Employ Others

Trade Marks in Latin America

Panama's Own National Fair

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Commerce in the Month's News

AT the next meeting of the Board of Directors of the National Chamber there will be presented a resolution of the Philadelphia Chamber of Commerce, couched in the prescribed form, requesting action by the National Chamber by referendum on the subject of National Defense. Should we prepare ourselves against possible attack by a foreign enemy? Numbers of our citizens have organized themselves into movements and propaganda on both sides of the question of military preparedness. The President and the secretaries of War and Navy are studying the question for the purpose of informing Congress. The newspapers are full of the discussion. On this subject the opinion of the business men of the United States will be received with unusual interest, in view of the fact that in addition to having in common with all the rest of us, their own lives and happiness at stake, there has also been confided to their keeping the material interests of the country.

A USEFUL and interesting illustration of how war time difficulties can be surmounted when there is the will to cooperate, is furnished by the agreement, now practically reached between the United States and Russia, in the matter of the embargo which the government at Petrograd has thought it necessary to place on certain exports. Under pressure of the American demand for various Russian products, particularly seeds for fertilizer, hides and mineral oil, negotiations were opened several months ago between the two governments. The Russian Ambassador at Washington and the commercial attache of the embassy have finally assented to a plan to which the Imperial Government has itself in turn agreed. In response to a definite American proposal, Russia will soon permit exports consigned directly to the Secretary of Commerce, upon his guarantee that no part of such exports shall be reexported. After consultation with the Swedish Government, the Department of Commerce has sug-

gested to shippers three overland freight routes through Norway and Sweden to Russia with rail connections to the Russian interior. The Washington headquarters of the National Chamber acted as the friendly "go between" in this matter, securing, by negotiations with the State Department, the Department of Commerce and the Russian Embassy, the adoption of a practicable method of arranging for permits to bring supplies of seeds, hides, and certain other products from Russia.

THE "follow-up" campaign inaugurated by the Pan American Financial Conference is not to be permitted to lag. It will be remembered that, immediately after the Conference, Secretary McAdoo appointed the members from the United States to an International High Commission on Uniform Laws Affecting Pan American Trade and Commerce, and invited other nations to appoint members. He designated also a special committee to arrange for a return visit of American financiers and business men to Latin America. Finally, he appointed group committees to confer with foreign delegations and to become permanent bodies to study and improve relations with each Latin American republic. The High Commission, to which we make further reference in a succeeding paragraph, is having prepared a series of reports for submission to the Secretary of the Treasury by September 1. The permanent group chairmen have been corresponding with delegates from the respective countries to which they have been assigned. On July 24, a gathering of chairmen of the Permanent Committees for the exchange of opinion, was held in New York. Other such meetings will be held from time to time. On August 5, the Committee appointed to arrange for the return visit to South America met also in New York. It was decided that one trip was practically out of the question. A general agreement was made on several trips to groups of countries with a possible readjustment, as may seem desirable, so as to visit certain indi-

vidual countries. A committee of seven on plan and scope was appointed to work out the details as to parties, methods of transportation, time and other necessary particulars. During these visits to the sections named, business men of the United States will have a chance to see the countries of Latin America with whose representatives they conferred in Washington late in May.

MEANWHILE, at least three of the Latin American nations, Panama, Cuba and Ecuador, have appointed their members of the International High Commission on Uniform Laws Relating to Trade, on Commerce, and on International Commercial Courts. The meeting of this High Commission has been set for November at Buenos Aires. The Panama Fair, about which we have something to say on another page of THE NATION'S BUSINESS this month, will prove an opportunity for the study of the resources and needs of that little Isthmian nation. President Wilson, it should be noted, has now received pledges of cordial cooperation, cabled from the presidents of all the eighteen Latin American nations which were represented at the historic Conference in Washington in May.

PUBLIC opinion on the much discussed Seamen's Law varies from that of the President of the Clyde Steamship Lines (quoted in THE NATION'S BUSINESS last month) that it is "fraught with menace" and "irreparable injury," to the panegyric of Secretary of Labor Wilson, who, in his address on August 5, before the International Seamen's Union, classed the law with the Magna Charta, the Declaration of Independence and the Emancipation Proclamation. One of our esteemed contemporaries compares the act to the Fugitive Slave Law. Just what the commercial interests of the country think about it, after all available information and arguments on both sides have been presented to them, we shall know when the referendum ordered by the Chamber of Commerce of the United States has been taken.

IN the address just alluded to, which was made at San Francisco, Secretary Wilson declared that the Seamen's Law "means the freedom of all seamen on any ship of every nationality trading with United States ports." Far from driving American ships from the ocean, as has been claimed, said Mr. Wilson "in effect it will place shipowners of all nationalities on an equality, as the foreign seamen will not be long in demanding the same privileges that the bill gives to the seamen of this country." In conclusion, the Secretary gave it as his firm opinion that no American ships would go out of business or apply for foreign registry. He confidently predicted that the general effect of the law would be to make foreign seamen insist upon equal treatment with our own. By a rather dramatic coincidence, only a few days after the Secretary's speech, the

The Business
Man and Na-
tional Defense

The Seamen's
Law Again
In Debate

"Getting
Around" the
Russian
Embargo

The Views of
the Secretary
of Labor

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announcement was made (on August 14) that the Pacific Mail Steamship Company had actually sold five ships of its trans-Pacific fleet, claiming that they could not be operated profitably under the requirements of the Seamen's Law.

* * * * *

IN the presence of such a bereavement—national in its significance—as the *Eastland* disaster, two questions are being asked by the American people. Was the law broken? If not, what is the matter with the law? Investigations of various kinds have been begun. The Department of Commerce, under Secretary Redfield's personal supervision, at once began an inquiry into the conduct of the Steamboat Inspection staff in relation to the disaster. President Wilson has been asked to take a hand and has given his assurance for a strict, impartial investigation. There were also state and municipal "probes," and the American Federation of Labor has undertaken its own inquest.

* * * * *

PAST experience would lead us now to look for reports and findings, each one holding a different group of owners, operators, or inspectors, more or less responsible. But this matter seems to have been taken seriously in hand. There have already been grand jury indictments. Such conditions as were responsible for the horror at Chicago must be changed. We may have needed this stern lesson. The *Titanic* disaster showed us, among other things, the need of proper life boat equipment and the wreck of the *Volturno* proved that, without a competent crew, the best equipment is useless. Now the *Eastland* catastrophe drives home other points upon which we must demand full protection for our travelling public, but which have so often been neglected.

* * * * *

IN these pages last month the Assistant Secretary of Commerce described the functions and scope of the Steamboat Inspection Service. He intimated that "a material increase in the number of employees" is needed. The figures quoted for salaries indicate the further fact that expert services cannot be the rule. There have been several terrible disasters on the Great Lakes in recent years and the attention of

What Will
Come Out of
the *Eastland*
"Probes"?

The Lessons
of Former
Disasters

What is
Wrong With
Inspections?

the government has been called by the Seamen's Union and other organizations and individuals to the need for investigation and reform. The British Board of Trade has always at its call a marine expert of international reputation and it frequently summons skilled naval architects for special assistance. This national body in Great Britain also promptly investigates all marine disasters, while we leave such inquiries to merely local boards of inspectors. We have much to learn from European governments in this matter of safeguarding life on the water.

* * * * *

PRIOR to the *Eastland* disaster, the National Chamber's Committee on the Department of Commerce had determined on an investigation of the Steamboat Inspection Service. A conference with Secretary Redfield showed that he heartily approved of the plan. A subcommittee was appointed. This smaller body was studying the service when the *Eastland* horror occurred. The subcommittee attended the hearings and through its chairman and a special representative employed for that purpose, will report to the full committee as to what, in its opinion, should and can be done to increase the efficiency of the Steamboat Inspection Service, taking account, in its recommendations, of what it has learned by the *Eastland* probe. Last month, in an editorial paragraph, THE NATION'S BUSINESS reported on the work of this Department of Commerce Committee of the National Chamber (the recommendations of which will shortly be submitted in a referendum to the business men of the country), making suggestions for extending the usefulness of the work done by the Department of Commerce. The report of this Committee will receive early attention in these pages.

* * * * *

FOR many months there has been in this country a wide-spread feeling of apprehension that "something is going to happen" because of the European war. A number of reports of the Department of Commerce during recent weeks have indicated that, even under the menace of being forced into the conflict ourselves, and, notwithstanding the unusual economic conditions due to the war, it looks as though our crops and the slow but continuous improvement in our industrial affairs would "pull us through to prosperity." A special report of the Committee on Statistics and Standards, of the National Chamber of Commerce, submitted early this month, confirms these statements and views of the Department of Commerce. Twice a year this Committee reports on general business conditions throughout the country. These reports—besides others on special subjects—are distributed to all members and are widely copied. We have had an unusual amount of rain throughout the country during the past three months and wet years, it has come to be noted, are good crop years. The figures of the Department of Commerce show an outlook for nearly a million bushels of wheat alone, while those for corn are given as likely to reach

The National
Chamber Awake
to the Need

Our National
Life Savers,
The Crops

2,900,000,000 bushels, or about ten per cent over that of last year. The oats crop closely rivals the record breaking production of 1912.

* * * * *

IN spite of the unusual conditions brought about by the war, the National Chamber's Committee reports a fairly good cotton crop, "the cheapest raised in the way of production for many years." Mr. Harding, of the Federal Reserve Board, in a special report on cotton and its financial needs (made to the Board last month) takes the view that the prospects are not at all bad and that the "cotton tragedy of 1914 will be succeeded in 1915 by nothing more serious than a drama." The president of the New Orleans Cotton Exchange is quoted as saying that by the British embargo on jute (now used for breastworks on European battlefields) the market, in his opinion, is now open for more than a million bales of cotton to replace jute. Thus, despite unfavorable conditions, cotton prices will probably go higher. These are the real bases of our national prosperity. This is what gives us our word of cheer despite the fact that we are in the shadow of the most devastating war of history.

* * * * *

ON the other side of the Atlantic, the picture is a depressing one. At the close of the first year of the European war, with the end not yet in sight, the expenditures of the belligerents have equalled the most extravagant predictions. The London *Economist* announces that they are spending at the rate of fifty millions of dollars a day on their work of economic destruction. Meanwhile, normal industry is dislocated, constructive work, except for the war industries, almost suspended, manufacture in many lines greatly reduced, and general trade seriously depressed. Some interesting and significant figures of the losses of international trade known to have been sustained by the central powers are given in an article on another page this month. Agriculture, carried on largely by the women, children and old men, is the only European activity not based on war or war needs that appears to be thriving.

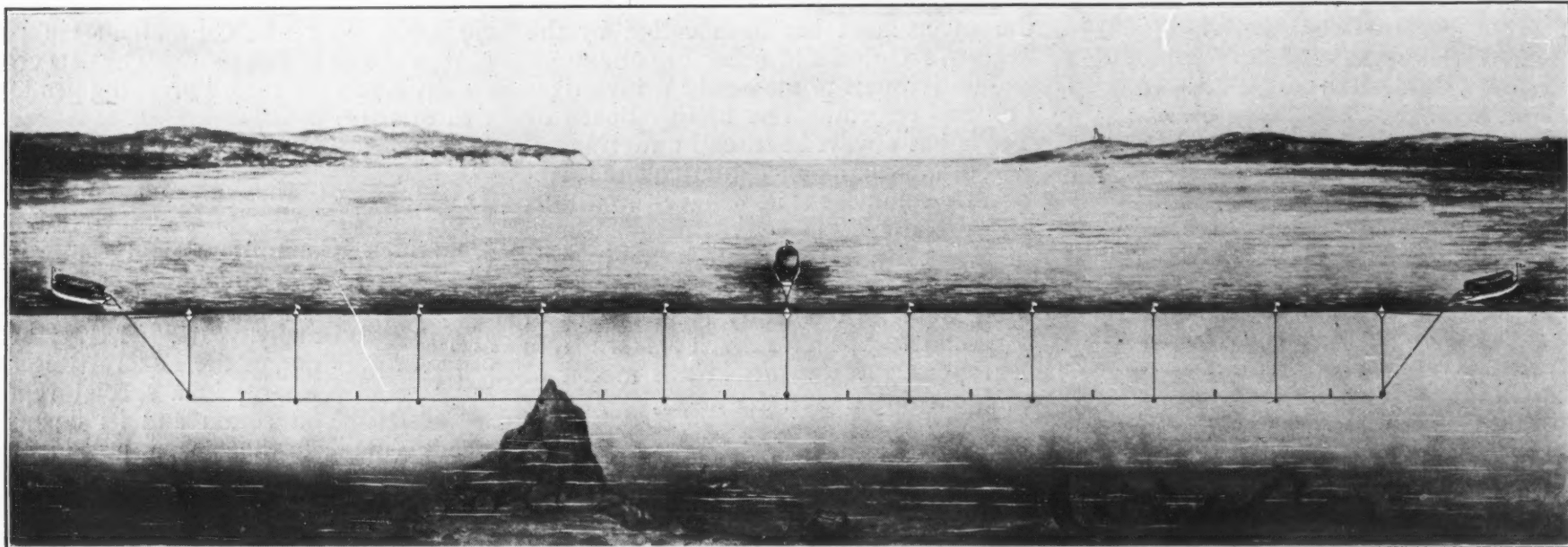
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THREE important and useful articles on Latin America and trade conditions in those parts of our western hemisphere will be found in this number of THE NATION'S BUSINESS. Former Senator Burton, recently returned from a tour through South America, recites a few things the business men of the United States ought to know about our neighbors to the South. A short article describes the commercial and industrial exposition which the Republic of Panama will hold to honor Balboa. Finally, there is a description of trade marks in the Latin American countries and some valuable information as to what precautions our own merchants should take to protect themselves in this field.

As to the
Outlook for
Cotton

Some Economic
Losses of
the War

Some Things
We Need to
Know About
Latin America



THE WIRE DRAG AT WORK—SHOWING ONE FEATURE OF THE PROCESS BY WHICH HARBORS AND COASTS ARE CHARTED
(By this method the presence of partially submerged rocks is ascertained—See facing page)

Safeguarding Our Waters for Life and Commerce

How the Oceans, Harbors and Coasts are Charted by the Government

BY E. LESTER JONES

Superintendent of the United States Coast and Geodetic Survey.

THERE is probably no branch of our government service about which the American citizen knows so little as the Coast and Geodetic Survey, and yet this branch has a wide range of activities vital to the lives of our traveling public and to the orderly progress of our commerce.

The highly practical and important branch of engineering known as geodesy is one of its functions. This investigation of the figures and areas of large portions of the earth's surface as well as the exact determination of geographical positions, is constantly being utilized by state boundary surveys, highway commissions, drainage commissions, railroads, consulting engineers, surveyors, physicists and astronomers.

Observations of astronomical facts, of magnetic conditions of the tides also constitute a large field of work of the survey. Astronomical observations determine locations on the earth's surface by distances from the equator (latitudes) and from a reference meridian (longitude). Magnetic observations give us the true direction in which the compass needle points and inform us as to the intensity of the earth's magnetic force with the manifold and ceaseless variations of these. The Survey determines these facts. In observing the tide, it ascertains a mean established level from which elevations are reckoned and in order that it may predict the rise and fall of tides for the use and assistance of navigators.

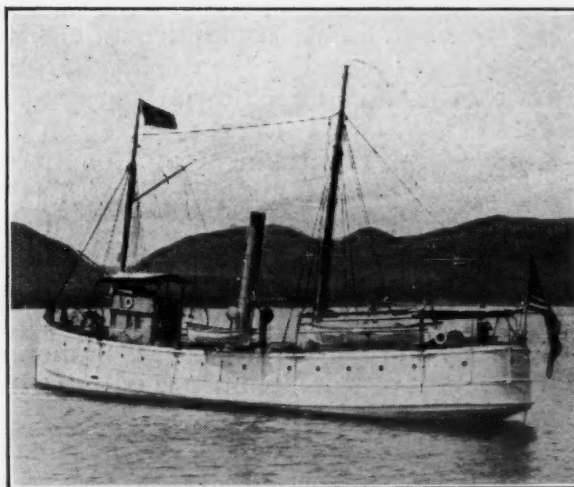
In what is known as topography, the Survey graphically plots all the physical features of land in their relative positions, their elevations, depressions, and natural and industrial features.

While each of these activities already mentioned is of very great importance, the prime interest in the work of the Coast and Geodetic Survey undoubtedly centers in what is known as the Hydrographic Survey; its work in charting our coasts and harbors and making these waters safe for travel.

Safeguarding Our Waters for Life and Commerce

The profession of hydrographic surveying is the eminently practical and important one of mapping or charting the unseen and unknown dangers which lie beneath the surface waters of the sea through which the ships of commerce and war literally plough their way.

The charts of the hydrographer which the master mariner uses in guiding his ship along strange coasts and into safe harbors are to his sailor-trained mind like far-seeing and penetrat-



AN OLD VESSEL, WHICH SHOULD BE REPLACED
(The Survey Steamer *McArthur*, 40 years old and inadequate for the work she is called upon to do)

ing eyes which show him that which lies beneath, around and beyond the ship he navigates.

The rise and fall of the tides which the hydrographer observes, studies, analyses and then predicts for the master mariner, tells this captain when, just as the charts told him where, he can take his ship over the unseen dangers of the bottom.

Likewise the currents of the seas, which also come within the realm of hydrography, indicate to the same master mariner how he must proceed

as to course and speed to reach the "where" shown by the hydrographer's chart at the "when" given by the hydrographer's tide tables.

We hear much of the "freedom of the seas" as controlled by the man-of-war but little of the freedom of the seas granted to all mariners by the man at the lead line who makes the charts which make the navigation of these seas safe to all who understand the great international language of geography.

Defined in another way, it might be said that hydrography is the art of making submarine surveys for the purpose of providing charts for the safe navigation of ships.

Scope of the Submarine Surveys

To the sea-going officers of the Survey it matters not whether you speak of their profession as hydrographic, submarine, nautical or navigational surveying. The Service of the United States Coast and Geodetic Survey includes the surveying, and charting of the Atlantic, Pacific and Gulf Coasts of the continental United States, the shores of Alaska and Aleutian Islands, Hawaii, Porto Rico, Philippine Islands, Guam and Samoa.

For this work there are three vessels and one ship on the Atlantic Coast. The *Isis*, bought July 1st, 1915, is now in active service; the *Bache*, built in 1871 (rebuilt in 1901), the *Hydrographer*, built in 1901; and the ship *Matchless*, built in 1859. On the Pacific Coast and Alaska there are six vessels: the *Gedney*, built in 1875; the *McArthur*, in 1876; the *Patterson*, in 1882; the *Yukon*, in 1898; the *Taku*, in 1898; and the *Explorer*, in 1904. In the Philippines there are five vessels, only one of which (the *Pathfinder*, built in 1899), is owned by the Coast and Geodetic Survey. The other four, the *Fathomer*, *Marinduque*, *Research* and *Romblon*, are loaned by the Insular Government to the Coast and Geodetic Survey. These vessels, like all the others, are exclusively manned by officers of the Coast Survey.

At the present time bids are being asked for a new vessel of 1,000 tons, the *Surveyor*. This will be the first one that is built strictly to fulfill the needs of carrying on the work of the service. She will be used in Alaska waters.



THE APPARATUS FOR SEA SOUNDING USED BY THE COAST SURVEY
(The "Cosmos" Hand Sounding Machine to the Left and the Deep Sea Sounding Machine to the Right)



PINNACLE ROCKS, ALASKA, AT LOW TIDE—WHERE THE DIFFERENCE IN TIDE IS SOMETIMES AS GREAT AS 32 FEET—ONE OF THE DANGEROUS POINTS ON OUR NORTHERN COAST
(These rocks submerged at high tide are perils to navigation; the wire drag finds them)

The Survey is the oldest scientific service of our Government having been founded under President Thomas Jefferson in 1807. It also has the distinction of being the greatest of its kind in the world. Not only is it so recognized by the largest foreign nations, but its efficiency is felt throughout the world. Its methods and accuracy are approved everywhere by those versed in knowledge of the subject. Parts of its work are of greater magnitude than the total services of similar work in other great nations.

The gigantic task of surveying the coasts of Alaska alone is vaster than the total coast surveys of Great Britain and France. In the Philippines we have a great work to do involving local, national and international significance. This one obligation (or duty) is more vital and important than a similar service of any other great nation.

How the Work Divides

The duty of the Coast Survey deals with two great factors,—first with humanity and second with commerce. Its work comes foremost in the protection of life and property along our shores; and the stimulation of trade is largely to be gauged by the degree of safety with which the waters are protected. There has been a lack of support, assistance and cooperation in the past in giving this service adequate funds to carry on this work in the manner befitting it; the failure to keep its volume up to modern times is caused by the lack of realization of the importance of the work. This condition is fortunately being changed. The lack of safe and proper vessels and the failure to provide necessary apparatus and money to operate them, answer the question as to why our coasts, especially the coast of Alaska, are today a danger to human life and commerce.

It must be understood that there cannot exist a complete survey which will provide for all times. A survey which today may be adequate may prove entirely inadequate later owing to the change of conditions.

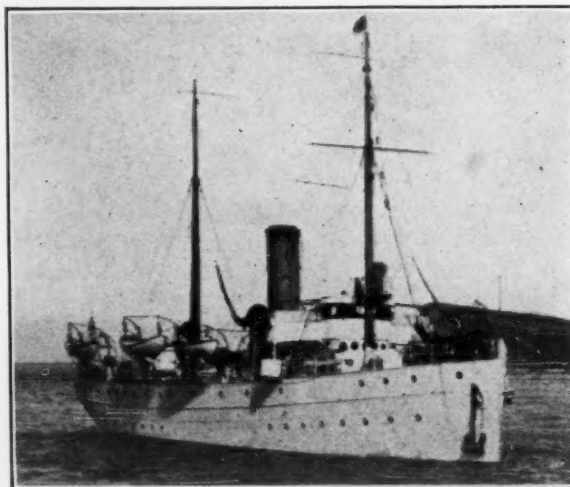
The Constant Need for Resurveys

The commonest causes for resurveys are the constant changes along the coast line above and below water, due to action of currents and waves cutting away or building up. The rivers do their share in these changes carrying vast quantities of sediment and depositing it at or near their mouths extending the coast line or filling in the channels.

Man is likewise making eternal vigilance necessary. He builds breakwaters, dredges channels, necessary for increasing commerce; so these changes due to nature or man render the charts based on old surveys inaccurate, and with resurveys the chart is re-

stored again to efficiency. Furthermore, new sources of commerce are opened which take vessels where previously no serious thought was given to existing conditions. Older surveys were ample for small vessels while later vessels of modern type with more draft demand new surveys.

It is owing to the foregoing changes that new nautical charts are ever necessary; therefore the fact that certain waters have been surveyed must not be misunderstood, for charts are never final and will not always meet future demands.



THE REVENUE CUTTER WHICH PAID THE PENALTY OF HAVING TO NAVIGATE UNSURVEYED WATERS
(The U. S. Revenue Cutter *Tahoma*, valued at \$250,000, wrecked in Alaskan Waters in September, 1914)

Alaska alone has 137,639 square nautical miles to survey and the area surveyed amounts to 67,308 square nautical miles or about half of the entire area to be safeguarded. It must be borne in mind that early surveys, included in the figures of surveyed areas, are largely inadequate to meet the present needs of safe navigation and large portions must be resurveyed.

There is another vital factor in this all important work; the old time method of using lead and

line to find hidden dangers cannot be depended upon to insure safety of our waters. The wire drag is the only method in use that absolutely assures safety of the waters.

The wire drag is a device by which a long wire, maintained at any desired distance below the surface of water, is towed over the area to be examined. The action of one of the many buoys which support the wire indicates the presence of an obstruction and its location.

There is no other method by which the pinnacle rock or the mountain peak below the surface of the water can be located. This device does find them as nothing else will. The work is necessarily slow but thorough. This method of surveying is now being conducted in Boston Harbor and southeastern Alaska. Similar work is urgently needed in other localities, but the money to do more is not available.

The Needs of the Survey for Expansion

It is true, as already stated, that there has not been the awakening to this unfortunate condition; but it is hoped that with a clearer knowledge of what is necessary Congress will without further delay provide the necessary funds for more and modern vessels, discarding the unsafe crafts, which if privately owned and operated would be condemned, also the service of more men for the work, as well as adequate funds to make it possible to carry on the work all the year around, which has not been the case in the past.

The people of the country demand that the work be done. Requests come daily to the office for investigation of old dangers as well as new ones, which is done as soon as our inadequate service permits. This applies especially to Alaska where steamship owners are in constant fear of impending losses because of a dangerous pathway to the territory. Some of these, and with justification, have threatened to abandon their regular service if proper protection is not given them in charting the waters used by their vessels.

We are glad that Alaska is to have a real railroad at a cost of \$35,000,000 which will open her commerce to the coast. But do many of us realize that this railroad cannot be reached without a

trip on the water and that it therefore seems practicable and business-like to offer equal assistance in protecting Alaska's waterways which are the real gateways to her commerce? Today the Coast Survey has but \$185,787 to spend in furnishing this protection for the 26,000 miles of coast line. Is this fair to Alaska or to the people who are undertaking to build up this country? Does not the investment of human life and property warrant a sum large enough to have this work done now, —not in thousands but in millions, even many millions of dollars?



SOME OF THE MEN WHO "SPY OUT" THE WATER SO THAT COMMERCE MAY BE SAFE
(The Officers of the Coast and Geodetic Survey Steamer *Gedney*)

Training Men in the Art of Employing Others

The New Movement which "Blue Prints" the Job before Selecting the Worker

By MEYER BLOOMFIELD

Director of the Vocation Bureau, Boston



FITTING THE "HELLO" GIRL FOR HER JOB—A SCHOOL FOR TELEPHONE OPERATORS MAINTAINED BY THE AMERICAN TELEPHONE AND TELEGRAPH COMPANY

A MOVEMENT is now under way in several large cities of the East, notably Boston, New York and Philadelphia, the importance of which to business men cannot be overestimated.

For years the subject of management has filled columns of business literature. At meetings of business bodies this topic has been discussed at great length. Yet, despite the large amount of serious and intelligent attention given to this vital matter, it is only within a very recent period that a note has been struck which now seems to go to the root of things. We are now studying how to hire men.

Three years ago a new organization was started by the Vocation Bureau of Boston. In its investigations of work for young people and the best ways to give them a right start in life, the Vocation Bureau was impressed by the inadequate methods of hiring employees in many establishments, as well as by the insufficient information as to the specific needs of various concerns. That few employers had "blue-printed" their jobs, or laid down their specifications in such way as to bring about a fair selection of competent workers, the Bureau observed early in the course of its inquiries. As a consequence of such lack, place after place was found with a large "overturn," or change in the working force each year.

The Men Who Do the Hiring Now in An Association

Now an association of those who do the hiring has been started. Employment men, the Bureau found, had never come together to compare notes, to exchange experiences, or to profit by mutual mistakes and successes. Credit men, advertising men, porters, and scores of others, had distinctive organizations. Those who were charged with what is probably the most difficult of all tasks, however—that of hiring workers—were in a state of isolation.

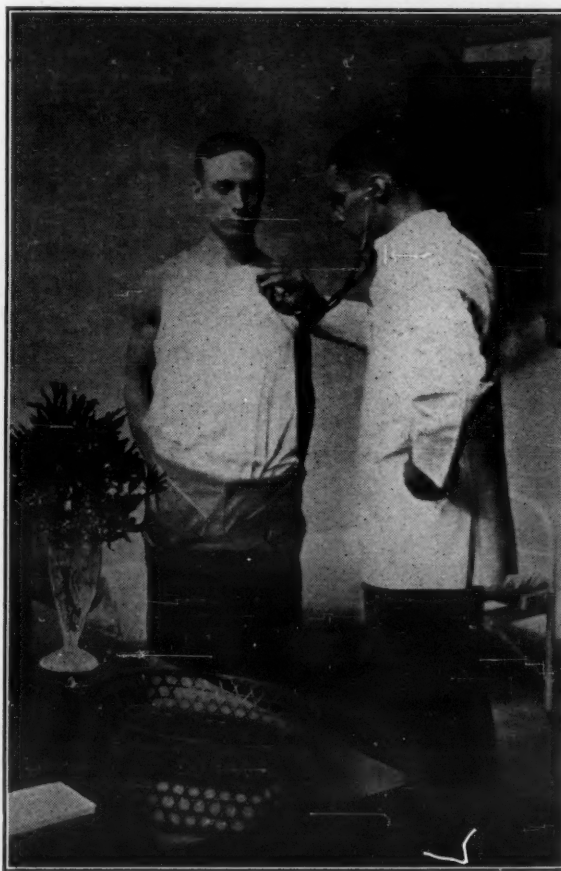
The Employment Managers Association of Boston was the result. Forty or more of the largest employers in Boston came into the organization which has since then had a promising growth. Men like Mr. A. Lincoln Filene, Henry Dennison and others have been strong supporters of this new organization, which has practically made clear the important principle that hiring and supervising men is a serious job, and must be treated as a professional phase of management. To do less is to evade the real "human problem."

Work of Some of the Schools and Colleges

The professional aspect of this work has been recognized in a significant way. In cooperation with the Vocation Bureau, the Tuck School of Finance and Business Administration, at Dartmouth College, announces for this fall a special course in employment as a phase of management. Every business man must be struck by the far-reaching importance of this step and its possible helpfulness toward a solution of the problem of right industrial relations.

While cooperating with the New York City Committee on Unemployment, during the past winter, the writer had an opportunity to interest business men in a project similar to that already

under way in Boston. As a result, there was started the New York Society for the Study of Employment Problems. Among the active workers in this new society were representatives of the New York Telephone Co., the Western Electric Co., the American Telephone and Telegraph Co., R. H. Macy Co., the Champlain Silk Mills,



PHYSICAL TEST OF A NEW EMPLOYEE OF THE CURTIS PUBLISHING COMPANY, PHILADELPHIA

the Edison Co., and other important concerns. The example of the New York experiment influenced a group of Philadelphia merchants and manufacturers to follow suit, and, under the leadership of Director Morris L. Cooke of the Public Works Department, Prof. Willetts of the

Wharton School, and Mr. E. M. Hopkins of the Curtis Publishing Co., steps have been taken to effect an employment supervisors' organization.

Vital Importance of the Subject

There is little doubt that the idea of treating the handling of the personnel as a high-grade executive job will spread, to the considerable benefit of employer and employee alike. The "hiring" and "firing" of the help is one of the industry's toughest problems. More friction, waste, disaffection, and ill-will are bred in the failure to give this matter the thought it requires than from any other one source.

But more than a negative reason has led to the formation of such associations. There are important problems of selecting employees, methods of developing, promoting or transferring them, problems which require constant study and attention. The employment manager or superintendent is one of the most important men in any organization. His importance has not hitherto been everywhere appreciated. Experiments are now going on in this department of service which should be brought to the attention of all those who hire men. Only recently have studies been begun into the cost of changing employees. The questions before a properly trained employment man are innumerable. His help in perfecting an organization is great. College schools of business training and business organizations will render a public service by getting together to promote the professional equipment of those who deal with problems of employment.

How the Appointment Clerk Helps Uncle Sam

Our greatest employer of assistants, the Federal Government, has for a long time used a special method of choosing.

Each department has its own "Appointment Clerk." He, however, is not expected to select the desirable applicant. His is the routine part of the work. When a particular office or bureau has made known to its Secretary that it needs additional help, and the Secretary has approved securing it, the Civil Service Commission is asked to submit names or "certificates" of applicants, in the branch of work desired. Each "certificate" includes not only the rating of the applicant, but his examination papers, his "personal questions sheet" and his photograph. Three such papers are submitted to the Appointment Clerk. But he does not pass upon the qualifications of the applicants. The papers are sent direct to the office where the vacancy exists and the person in charge of that work starts out on his own "investigation." In many cases a personal interview is possible, and this, of course, the investigator always considers the most satisfactory. In addition to the interview, in many cases the references given on the "personal questions sheet" are followed up—sometimes by telephone, sometimes by mail. Where special qualifications are desired, such, for example, as a clerk with particular ability in mathematics, the Appointment Clerk must make this clear in his request for names. The Civil Service Commission then makes a selection of names with that point in view.



MAKING NEW EMPLOYEES EFFICIENT—A SESSION OF THE EDISON COMMERCIAL SCHOOL, DEMONSTRATING ELECTRIC HEATING AND COOKING APPLIANCES

What We Need to Know About South America

Things Americans Must Realize Before They Compete With Europe in South America*

BY HON. THEODORE E. BURTON

Former U. S. Senator from Ohio

TWO facts are sure to develop in regard to South America. The first is a closer relationship with the United States, because with a better acquaintance, each with the other, the grounds of repulsion are sure to be decreased.

The reasons for nearer affiliations between them are already more clearly recognized. The great lines of communication have heretofore been predominately from east to west and west to east. In the future, the movement from north to south will be in evidence increasingly. Another fact will be a marked advance in the prosperity of South America.

South America's Economic Advantages

This is true because that continent has peculiar advantages under the economic conditions of this time. It is a recognized fact that the pressure of population upon subsistence has created serious problems. To this, more than anything else, are due higher prices and the augmented cost of living. The demand for staple products of life, meat and grain for food, and greatly increased quantities of the divers minerals required in modern industries has caused the whole world to be searched and exploited for new sources of supply. South America, in both the temperate and torrid zones, has the greatest quantity of unutilized land available for production. The development is already under way in countries such as Argentina, Uruguay, and in part of Brazil.

The Andes Mountains are probably richer in minerals than any other mountain chain on the globe. Immense areas of agricultural land await settlement or development. Yet the population thus far is comparatively scanty. With the enormously increased demands of modern life, it is impossible that this great southern continent should not share in the development of the future. Export and import statistics of South America in recent years show a larger percentage of gain in trade than any other of the grand divisions of the globe. Capital and immigration are the primary needs. Conditions are much the same as in the great West at the close of the Civil War.

Our Increasing Trade with Latin America

In past years our own trade has been predominately with the more developed portions of the earth. Before the present war we exported more to Belgium than to all of Africa. In the years 1913 and 1914, and no doubt, since then, our exports to the single country of Holland, with six millions of people, were more than to all Asia with six hundred millions. Of course, Holland is a great trading nation and the goods received by the Dutch were largely exported again. Fifteen years ago our exports to the United Kingdoms of Great Britain and Ireland were of greater value than all the imports in all countries of South America. If all other countries had been shut out from South American ports, and we had enjoyed a monopoly of their trade, our exports there would have been less than to the United Kingdom alone.

Since then there has been a material change in

this regard. We have recently been sending much more to South America, and as against the competition of England and Germany, our main rivals in this trade, we are gaining every year, and this gain is sure to be very materially augmented by reason of the present war.

Some of the Obstacles to Such Trade

The disadvantages under which we have labored in the extension of our trade in South America, and which, in a measure, must still exist, are:

I—The fact that the countries of the southern continent, which are the largest exporters, furnish products which are in competition with ours, and, accordingly, sell the great volume of their exports to Europe. This, naturally, leads to the establishment of steamship lines to Europe, and stimulates imports in return. To this general rule there is an exception in the case of the coffee and rubber of Brazil. In this connection, it should be stated that there is a large migration

tion to our domestic trade or to that foreign trade which is acquired without resorting to the organized and strenuous efforts of our competitors. We can not gain the leading position in South America without the exercise there of the same energy and ability which our producers have manifested at home. A knowledge of the language of these countries, and of their habits and customs, is altogether essential.

It may seem trivial, and it has been said many times before, but carelessness in the packing and arrangement of articles sent to the South have been detrimental to us. Goods sent there are subjected to very severe handling and some merchants say they cannot purchase from us because the packages received are so likely to arrive in an injured condition.

A Change in Sight

Other disadvantages which are substantial and must not be minimized, but which have, nevertheless, been exaggerated, are,—the necessity of conforming to Latin American styles. On this point it must be said that the South American customer, though slow to abandon his preferences for styles which have been in use, can, nevertheless, be induced to recognize the superiority of more convenient and better articles. Again, too much stress has been placed upon the necessity for long time credits to purchasers. Of late there are indications of a change in this respect. Merchants realize that long deferred payments disproportionately increase the cost to them, and many admit that existing methods have been demoralizing rather than helpful.

There is every reason why we should be friendly with all the countries of South America. After a visit to seven out of ten of these republics, and after mingling with their people, I am convinced that while there has been in the past misapprehensions in regard to us, no repulsion now exists. The sentiment in every one of these countries is extremely friendly to us. They look to us for aid, cooperation and friendship. What is needed is a closer acquaintance, a better understanding of each other.

Reasons for Increasing Friendship

The reasons for an era of good feeling between the United States and South America are both sentimental and practical. There is one common name of America, a continent not only geographically distinct, but one which has many common interests. All have popular governments, or seek to have, and in a peculiar sense a common destiny; the problems of peoples working out a newer destiny in a newer world. They need our capital and our expert assistance. Our expanding industries need their markets and they, in turn, for their development and for better enjoyment of the comforts and facilities of life require commodities made by us.

We ought to be broad enough to know that all peoples and races are not cast in the same mould, and that while each have their defects they have their excellent traits also. The visits of Root, Bryan, Roosevelt and Bacon all had a beneficial effect. They were most cordially received. So is every business man or financier who goes to South America if he seeks to develop the country, rather than to exploit the people.



Courtesy of The Americas

ONE OF THE SCENES OF COMMERCIAL PROSPERITY IN ARGENTINA—THE HARBOR OF BUENOS AIRES

from Europe, especially to Argentina, amounting to 300,000 annually to that country alone. More than half of that number annually return. The carrying of these immigrants is a very profitable traffic, and aids in the establishment and maintenance of steamship lines.

II—The poverty of the great mass of the people, particularly those of non-Caucasian race. They are unable or indisposed to buy anything except the cheapest articles to the manufacture of which we have not yet given careful attention.

III—The concentration of land and of wealth in the hands of a few unfortunately prevents the rise of a prosperous middle class of large average consumption.

In the tropical regions particularly, and in a considerable degree in the south temperate zone, the demands of the majority of the people for clothing, food and shelter are few and simple. The mandioca plant in Brazil and other countries, a root somewhat similar to the sweet potato, affords food for man and beast. It is easily raised and very commonly used.

Europe Has the Start of Us

Another disadvantage arises from the great investments in South America of European capital, especially that of England, and the close commercial and financial relations which have resulted therefrom. European, particularly German merchants and manufacturers have for a long time made a study of the field and have established branch houses and agencies on a considerable scale. We have given absorbing atten-

*Mr. Burton recently returned from an extended tour of South America. The article here given was originally part of an address he delivered before the John Hay Club of Cleveland, but now recast, with Mr. Burton's approval, for *The Nation's Business*.

Chambers of Commerce in France---Their Scope

How They Differ from Our American Chambers in Power and Duties*



Photograph by Manuel, Paris.

M. DAVID MENET, PRESIDENT SINCE 1913 OF THE PARIS CHAMBER OF COMMERCE.

THE birthplace of chambers of commerce in the modern sense of the word was France. Early in the history of that republic, various institutions charged with representing the commercial interests of the communities served by them were allied more or less closely with the administrative authorities. This relation gradually became closer and more definite until it stood as the type of similar chambers of commerce throughout the continent. These bodies were in general and from the beginning distinct from the type of voluntary chambers of commerce which have become familiar to us in practically all countries of English speech.

How French Chambers Differ from American

For an adequate understanding of those commercial bodies known as chambers of commerce in France, it is necessary to perceive clearly the difference between such bodies in France and those known as chambers of commerce in the United States. From time immemorial the right to assemble for purposes of public discussion has been strictly supervised by government authorities in France. This has left but little room for individual or cooperative initiative. This feature is seen in French chambers of commerce today. The second important difference which separates the French bodies from those in the United States in character is the administrative powers which belong to French chambers of commerce. Except in Paris, where the membership of the Chamber of Commerce at present is 40, the French chambers of commerce cannot by law have less than 9 or more than 21 members. Those business activities in France which resemble such activities in the United States will be found in the European republic in manufacturers' associations and employers' syndicates.

*A monograph covering this subject in detail, by Archibald J. Wolfe, Commercial Agent, has been issued by the Bureau of Foreign and Domestic Commerce as No. 98 in the "Special Agents Series." It is entitled "Commercial Organizations in France," and may be obtained from the Superintendent of Documents at Washington.

The trade bodies in the United States combining those that are interested in any one line of manufacturing are analogous to the syndical chambers of commerce in France.

It may be said that the French government organizes and correlates every feature of national administration that can be made to act upon the commercial development of the nation.

Powers and Privileges of the French Chambers

It is important to note the fact that in French chambers of commerce all minor lines of business as well as the large commercial interests, find representation. Each district has some commercial body with recognition by the government. Each Department must have at least one chamber of commerce, the members of which are elected for six years and serve without pay.

The powers and duties of the French chambers of commerce are varied. These bodies are considered as organized units of the national administration. They have charge of all stock and produce exchanges. They must issue certificates of origin for goods exported, identifications for commercial travelers and lists of quotations for produce. They must examine ship brokers. They have the right to offer expert advice to the government in customs matters. They may receive commissions for carrying out public works, construction of ports, docks, inland waterways. Many of the chambers of commerce, however, do not do all these things. More than half limit their functions to administering tasks put into their charge by the government and to furnishing expert opinion whenever called upon. As many as thirty located in seaport towns take

It may be said, in general, that French chambers of commerce have done important work in initiating and carrying out improvements in the construction of ports, in the extension of port facilities, in establishing trade schools, in organizing commercial institutions, and in scientifically promoting the interests of various industries. The figures for 1915 show that there are now in France one hundred and fifty-five chambers of commerce with an aggregate income of \$1,770,000.

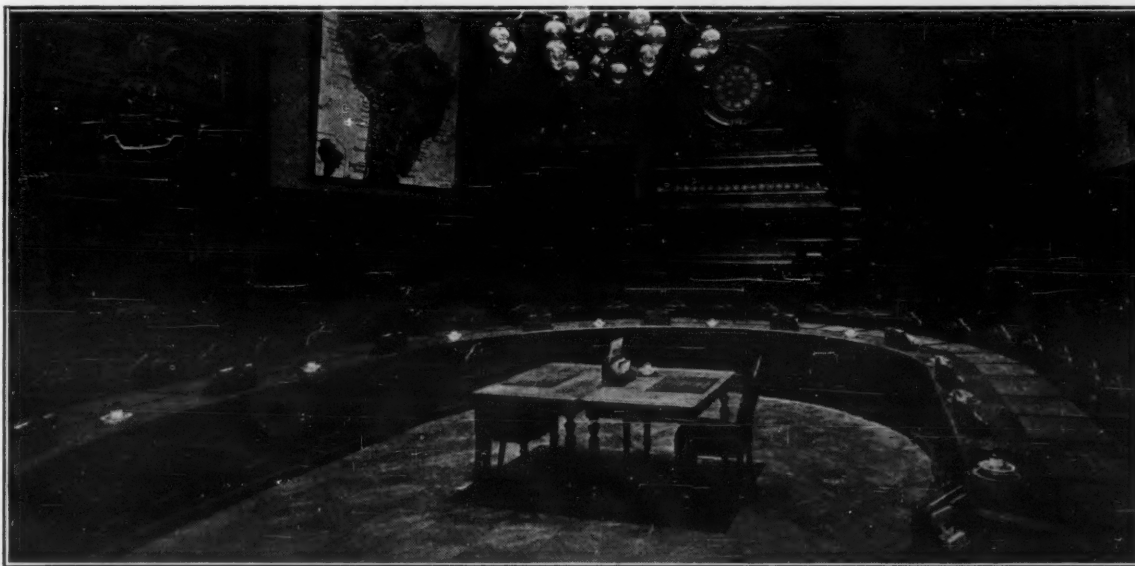
The Paris Chamber and Its Scope

An organization approximating in character and scope the Chamber of Commerce of the United States has developed in recent years in France. The Chamber of Commerce of Paris has become, as it were, a focus around which the trade bodies of other cities center their activities, at least at certain stated intervals.

According to the French national law of 1898, all the chambers of commerce of France are permitted to send their presidents to attend a sort of joint session under the presidency of the Chamber of Commerce of Paris. At these meetings questions of general interest to the industry and commerce of the republic at large are discussed and common problems worked out as far as possible. Problems relating to labor and the public works receive regular attention from these meetings. At a recent session, for example, the topics which received discussion were national moratoria, taxation, injury to private property by the war, supplies for the army and the formulation of an address of sympathy to all trade bodies in the territory devastated by the war.

The Paris Chamber of Commerce, furthermore,

is responsible for the creation of that famous department for export information, the Office National du Commerce. This chamber also supervises and administers the stock exchange of the French capital and public testing stations for textiles, paper and ammunition. It maintains a commercial college, a trade college and a commercial high school. The Chamber of Commerce of Paris, finally, sends abroad every year a number of young men to study trade conditions in foreign countries.



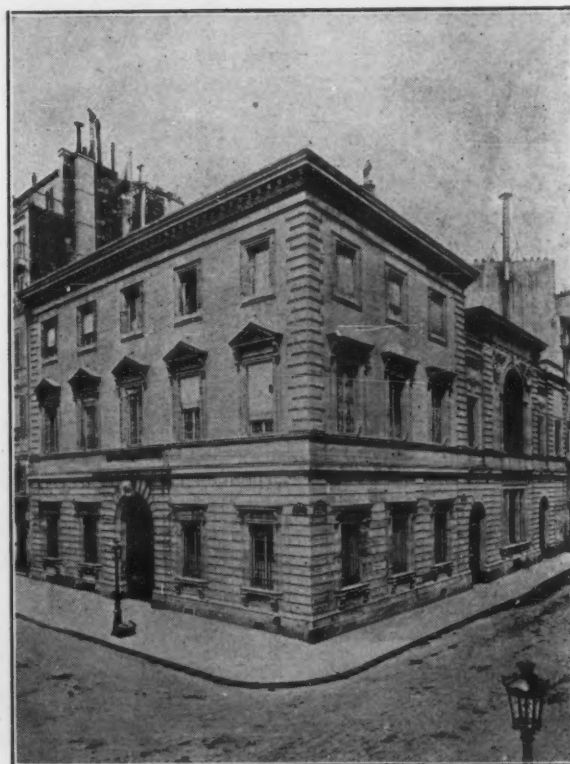
THE ROOM IN WHICH THE PARIS CHAMBER OF COMMERCE HOLDS ITS SESSIONS

charge of docking facilities and loading and discharging freights. Eight chambers of commerce have public warehouses and ten more maintain bonded warehouses. A dozen or more maintain commercial high schools, some with evening courses. Others have opened public libraries and reading rooms and have taken charge of telephone construction, afterwards turning over the exchanges to the government. The chambers of commerce of Paris and St. Etienne have testing stations for arms and ammunition. Five maintain commercial museums.

How They are Organized

By law each French chamber of commerce must have a president, at least one vice-president, a secretary and a treasurer. In addition, there is a salaried business secretary and a salaried staff of clerks. At each meeting the prefect of the district in which the chamber is located has the right to be present in an advisory capacity. All chambers of commerce communicate directly with the ministers of the government. They are, moreover, obliged to furnish an annual report to the Minister of Commerce. Their membership consists of French citizens only. Their sources of income are dues or taxes strictly regulated by government decree.

Every two years the French domestic and Colonial chambers of commerce meet, usually in Paris, for the discussion of matters of common interest.



THE PARIS CHAMBER OF COMMERCE



THE CITY OF PANAMA WHERE THE EXPOSITION WILL BE HELD—A VIEW FROM ANCON HILL SHOWING THE NEW RESERVOIR
(The insert is a photograph (Copyright by Harris & Ewing) of Hon. William E. Tuttle, Jr., United States Representative to the Exposition)

Panama's Own National Fair to Honor Balboa

AN appropriation of \$25,000 has been authorized by Congress so that the United States may be represented in an official manner at the National Exposition of Panama, which, it is expected, will open in that country early next winter. Hon. William E. Tuttle, Jr., a former member of Congress from New Jersey, has been appointed a special commissioner to represent the United States at the exposition.

This is not to be an exposition celebrating the opening of the Panama Canal, nor indeed has the Canal any direct part in the occasion. In the preamble of the decree under which the exposition is held the principal objects are set out as "extolling and honoring the memory of Vasco Nunez de Balboa, the discoverer of the Pacific Ocean; strengthening the sentiments of friendship and sympathy which bind Panama with Spain, the mother country, on the one part and that of the Republics of the American Continent on the other part; promoting commercial and intellectual interchange with these countries; and exhibiting to the visitors at the exposition the natural resources, industries, arts, and, in a single word, the growing civilization of the Republic of Panama."

A Graphic Display of Resources

A noteworthy feature of the exposition, it is said, will be the graphic display of the resources of Panama. Although thousands of citizens of the United States have visited our neighbor to the south of us during the building of the canal, the economic possibilities of Panama are as yet only vaguely comprehended by the people of this country. A representative exhibit of products and resources, which will no doubt be made at this exposition, will go far toward a better comprehension of what the Panama of the future unquestionably will be.

The United States will not participate alone in this imposing celebration. A number of the Latin-American Republics also will erect buildings and otherwise take part. Cuba has already erected its building and the Venezuelan building, it is understood, is well under way. The exposition grounds lie along the bay shore, immediately to the north of the City of Panama and in the direction of Old Panama. The exposition was first projected several years ago and, although there have been some changes in the original idea, the place selected and the general character is now what it was proposed to be at first.

Balboa bears a peculiar relation to Panama, we are reminded by the *Bulletin* of the Pan Ameri-

can Union. He was not the discoverer of the country, nor its first settler, nor was he the organizer or administrator of the government in this part of Spanish territory. But he was the first white man to behold that broad sweep of ocean which we now call the Pacific, and he saw it from Panamanian territory.

At this time, 1513, so rapid had been discoveries in the western world, only a few years before first made known by Columbus, that all the Atlantic coast, from Newfoundland or farther north, to Brazil on the south, was known and had been explored at many points. Nearly all of the islands of the West Indies had been roughly charted and the beginning of settlements made on many of them. The great sweep of the Gulf of Mexico had been explored by several adventurers, and the north coast of South America was comparatively well known. All of this territory was called "Tierra Firme," or, as the English called it, the "Spanish Main." But until

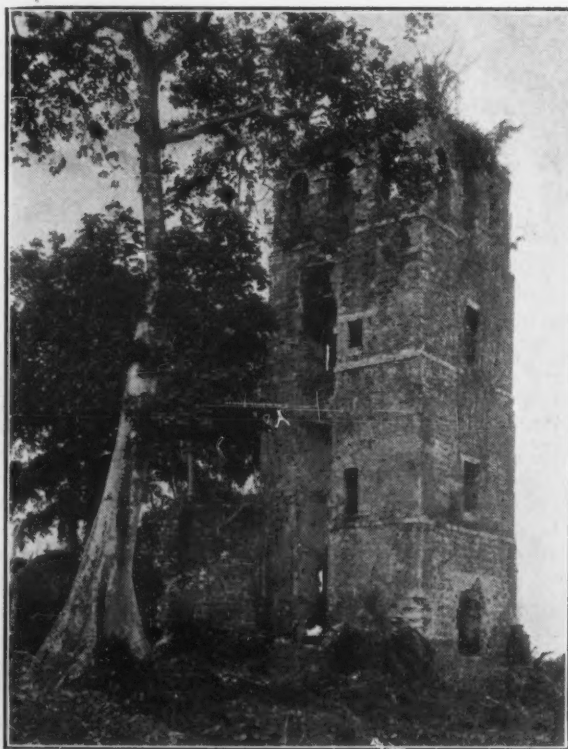
the time when Nunez de Balboa broke his way through the thick jungle of the Isthmus and from some one of the hills overlooking the Bay of Panama espied the great ocean, no one knew how broad or how deep this newly discovered country was. For aught the first discoverers knew, the continent was as broad at Panama as we now know it to be at the latitude of Newfoundland or of the mouth of the Amazon.

Nunez de Balboa shines out as one of the great characters of the period of Spanish conquest of America. He was a man of broad ideas, sympathetic, a good general and a good administrator, and he had the faculty of acquiring the trust and confidence of the native population. It was accident more or less that brought him to discover the Pacific Ocean. But his was the plan for the conquest of Peru, and his would have been the glory of the enterprise had he not been defeated and brought to death by the jealousy and cruelty of lesser men.

The Republic of Panama has already perpetuated the memory of Nunez de Balboa, by naming its coin the balboa, by placing his portrait on its postage stamp, and by setting aside the 25th of September, the day on which he first saw the great ocean, as a day of national holiday. It will further commemorate his memory by placing at the Pacific entrance to the Panama Canal a great statue to him.

Cementing the Friendship of the Western World

As for strengthening the sentiments of friendship and sympathy which bind Panama with Spain, the mother country, on the one part, and that of the republics of America on the other part, it may be explained that for years following the acquisition of independence by the Spanish colonies, there was much ill feeling between these new republics and the mother country. This was in part due to misunderstanding and in part to the fact that Spain did not cease to put forward her claims to sovereignty over the newly freed lands. Of late years this feeling has died out and the natural relations of sympathy and cordial friendship, which are due to the identity of language, literature, and in a large measure to the identity of culture and aspirations, are finding voice both in Spain and in the daughter countries of America. The strengthening of the bonds of friendship and sympathy which bind Panama to the sister republics of the western world will find fit expression in this exposition.



A BIT OF OLD PANAMA THAT WILL CHARM THE EXPOSITION VISITOR
(The Historic Tower with the Spiral Stairway)

The Trade That Germany and Austria Have Lost

Some Facts and Figures on the Loss of Commerce by the Central Powers

IT is practically a year since the foreign trade of the world was shaken to its foundations by the outbreak of war between the greatest commercial nations of Europe. Prior to that time the position of the central powers, Germany and Austria-Hungary, was a leading one in the world of trade. In twelve months it has become almost negligible.

Only those who have traveled to the Far East as well as across the Atlantic can appreciate the great strides which Germany was making in foreign trade up to the outbreak of the war. Twenty-five years ago the ports of China and the East were practically monopolized by ships flying the British flag. British merchants everywhere predominated and British goods held highest favor in all markets. British enterprise and British capital led the van in the vast expansion of foreign commerce which characterized the nineteenth century.

The Rapid Rise of German Trade

The beginning of the present century, however, saw the arrival of the German. German patience, ingenuity and thoroughness had seized upon foreign trade as an essential element of national prosperity. With characteristic efficiency the problem was studied as a commercial campaign. The avowed intention to become a great naval power had already been accompanied by the upbuilding of a German merchant marine. By 1900 the North German Lloyd and Hamburg American lines, with the steamers *Deutschland* and *Kaiser Wilhelm der Grosse*, had not only wrested the prize of speed from the trans-Atlantic trade of the British, but had extended their service to other fields of rivalry. The free port of Hamburg had also been developed to a degree which made it the European rival of Hong Kong. It soon included in its area not only elaborate docking facilities and warehouses, but about 70 industrial plants, with over 10,000 employees, for converting and manufacturing the cargoes landed there.

Thus the transportation and handling facilities for a growing foreign commerce were rapidly established. But the Hansa towns of Germany, the well-known ports in the North Sea and the Baltic—Hamburg, Bremen, Lubeck, Danzig—already had long experience and prestige in foreign trade, originating in the Middle Ages. Foreign exchange and banking business in foreign trade thus had an established basis of banking experience. The German consular service was also brought to bear on the problem. Systematic information on commercial subjects was compiled with great thoroughness and sent home by consular representatives, to be digested and effectively distributed to German manufacturers and exporters.

What German Salesmanship Achieved

The next step was perfection of salesmanship. Here, too, a practical system was built up. Scientific study was made not only of markets but of credits. Attention was given not only to the particular kind, style and quality of goods demanded in any foreign market, but equal study was given to business conditions which controlled terms of payment. The facts having been ascertained, an effort was made not only to introduce German manufactures and products, but to supplant those of other countries by superior accommodation to local demands governing design, quality and price in each market.

The commercial results have proved the efficacy of the methods employed. As a matter of fact, foreign trade must depend to an important

extent on powers of adaptation and accommodation. These the Germans have been careful to cultivate. A rapidly expanding merchant marine and extensive banking establishments abroad completed and rounded out the facilities for one of the most impressive commercial successes of modern times. The growth of Austro-Hungarian trade was not developed on such an extensive plan of operation as that of Germany, but it was, nevertheless, accompanied by assistance through foreign banking connections and a subsidized merchant marine.

The progressive results of such a policy are shown even in very recent figures. In 1909, Germany's aggregate exports were roughly \$1,700,000,000; in 1913, they had risen to \$2,500,000,000. In the latter year, Austria's exports aggregated \$562,000,000. The effect of the war is partly illustrated by the figures for exports to the United States. For the month of May, 1914, Germany exported to this country over \$14,500,000 worth of goods; in May, 1915, the amount had been reduced to \$3,172,000. The figures for Austria-Hungary are equally significant. In

ary, to show that international commercial intercourse has a momentum of its own and constitutes a natural function of trading nations.

The fact, nevertheless, remains that Germany, at least, has definitely lost something approaching half her export trade, and that her enemies are sparing no effort to make the bulk of this loss as permanent as practicable. This is a formidable future for any nation to have in prospect. Germany has, indeed, possessed herself of the greater and richest part of Belgium and of one of the principal industrial regions of France. The mines around Mons and Lille and the resources of that strip of France stretching from Nancy through Reims and Compiègne to Arras, are proving immeasurably valuable for the time. But there is no conclusive evidence that Germany will be able to hold permanently and Germanize those portions of Belgium and France which she holds for the moment. Moreover, the vast wealth which flows in normal times in and out through the great port of Antwerp is tightly sealed; Germany's temporary prizes are bottled exclusively for home consumption. For the present, this is not such a hardship as it would be ordinarily. But even so, it cannot offset the devastation of her foreign commerce and the elimination of the German flag from all of the five oceans of the world. Austria-Hungary has never played the part in foreign trade attained by that of her powerful ally. But the situation in the modern heir of the Holy Roman Empire is not any more encouraging for the future.

What of the Future?

And the future is what is to play a great part. The wastage from war is one of the terrible

prices which all of the belligerent countries are paying for their struggle to survive as great powers. Each of them is, therefore, concerned that it may snatch whatever coals it can from the blazing fire. But Germany and Austria-Hungary are in a position to do nothing. It is true that they still have some outlet through Holland and the Scandinavian kingdoms; possibly, also, to an extent which cannot be important, through Greece or Bulgaria. For practical purposes, however, German and Austrian outlets to over-sea commerce are stopped with a cork whose leaks are being steadily reduced through the pressure of the sea power of their enemies. Even the submarine successes of Admiral von Turpitz's fleet, however much they may be a menace for the future, have not succeeded in relieving the pressure of blockade, which has been increased by the closing of the Adriatic by Italy. Germany and Austria have no unoccupied foreign markets to exploit and are even prevented from any effective efforts to maintain on a large scale those which they possessed before the war.

How the Allies Are Profiting

The case of the allies is just the opposite. The \$1,000,000,000 of export trade in the allied markets now closed to Germany and Austria represent only a part of the field of exploitation which lie before them, the successful working of which may enable them to recoup many of their appalling losses. The efforts made by Great Britain to establish a dyestuff industry which will replace the supplies she formerly got from Germany, about which THE NATION'S BUSINESS had something to say in April, is only one phase of the problems and opportunities which are being studied by the allies. For example, the British Board of Trade is publishing exhaustive and systematic studies of Germany's exports, analyz-



Copyright by Brown & Dawson.

A VIEW OF THE DOCKS OF THE FREE PORT OF HAMBURG IN WAR TIME
(Showing how the cargoes of incoming ships are moved)

May, 1914, these exports to the United States were \$1,659,000; in May, 1915, the figures had fallen to \$449,000.

The Drop Since the War Began

The figures for the United States alone are given for two reasons. The first is that neither of the central powers has published any complete trade returns since the beginning of the war; the second is that their trade with some countries has been completely eliminated. Therefore, the fact that Germany's exports to the United States last May were less than a fourth of what they were before the war, and Austria-Hungary's trade reduced nearly in equal ratio, by no means tells the whole story, although it is sufficiently impressive as it stands.

Of Germany's \$2,500,000,000 export trade of 1913, over \$1,000,000,000 has been absolutely wiped out, possibly not to return for years to come. Her exports to Great Britain in that year were nearly \$360,000,000; to France, \$146,000,000; to Russia, \$356,000,000; to Italy, \$98,000,000; to Japan, \$14,150,000; to Australia, \$74,000,000; Canada, \$52,000,000; New Zealand, \$2,500,000; Serbia, \$2,500,000. All of this is completely lost. Doubtless the growing animosity and hatred which has characterized the progress of this war must lessen in intensity with the restoration of peace. But indications from Italy are to the effect that Italian merchants are in such a frame of mind that they are talking about never having any further trade relations with the central powers. This is no doubt an exaggeration. Trade relations between the civilized countries of the world are a necessity. It does not need British proclamations preventing trade with the enemy nor the French rumor that France managed to get picric acid and other explosive components from Germany via Switzerland as late as last Janu-



Copyright by Frank Palmer, Spokane.

PANORAMIC VIEW OF THE BUSINESS DISTRICT OF THE CITY OF SPOKANE AS SEEN FROM SOUTH HILL, LOOKING TOWARD THE MOUNTAINS

A Civic Welfare Trust—The Spokane Foundation

FOLLOWING the example set by the successful institutions in Cleveland and St. Louis, the city of Spokane has established a community trust fund for the advancement of all sorts of civic enterprises.

The origin and development of the Cleveland Trust idea is well known. The words of its projector are well worth perpetuating:

"To receive and safeguard donations and trusts under supervisions and regulations imposed by state legislation; to employ the principal or income or both for educational and charitable purposes in a broader and more useful manner in future years than it is now possible to anticipate; to provide for specific needs stipulated by the donor; to insure the perpetuity of principal when that is desired; to lessen preventable errors of judgment in the disposal of principal and income; to guard against the unwise use of income and principal by beneficiaries; and, by a union of available funds, to promote the civic, moral and mental wel-

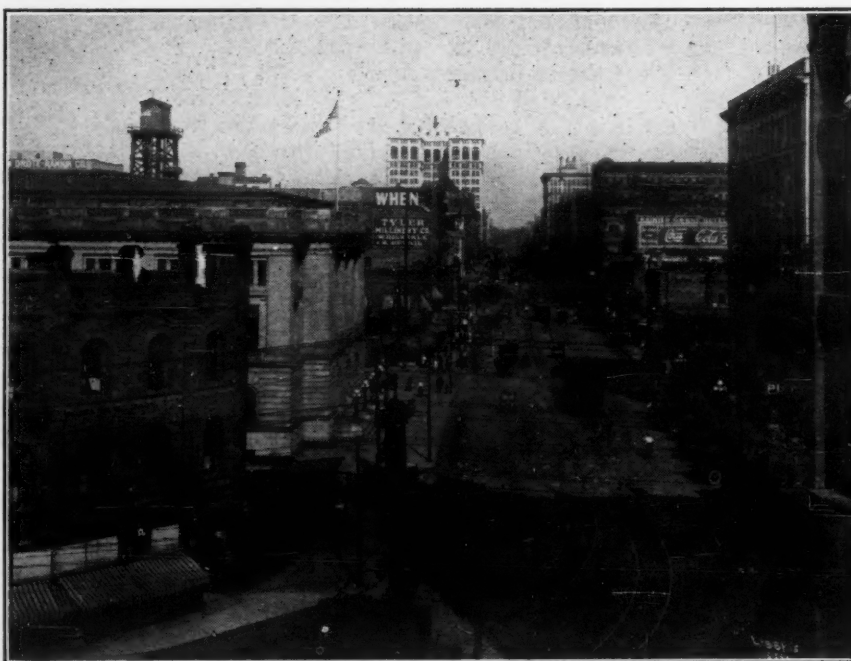


Photo by Libbey, 1915.

RIVERSIDE AVENUE, ONE OF THE FAMOUS THOROUGHFARES OF SPOKANE

fare of the people in the widest, wisest, most economical and most efficient manner."

In other words the Spokane Foundation is to be the administration of such funds as may be turned over to it for the purpose of improving the city for educational, charitable, or for any other purpose in the interest of the city. It affords those who wish to leave property for public purposes, but who do not know how to leave it for effective employment, the means of carrying out their intentions for social well being. An administrative committee comprising five citizens well versed in welfare work, but not in public office, will be appointed.

The enterprise was begun at the suggestion of a number of prominent citizens including the Mayor of the city, the managing editor of the *Spokesman-Review*, the President of the Board of Education, several judges and a number of bankers and other prominent citizens. The trustee will be one of the best known banks of the city.

ing the markets where they have been sold. Under the title of "Competition with Germany and Austria in Neutral Markets," pamphlets are issued, each covering a special line of manufacture and the conditions governing the market in each neutral country where Germany and Austria had established a footing. Particulars are given regarding prices, design, amount of demand and the previous supply furnished by the central powers. Already these studies have covered an extraordinarily wide and varied field of manufacture. The British merchant is having more definite and elaborate assistance in entering foreign markets today than he has ever had from his government in times of peace.

In normal times (1913) German exports to the republics of South America have been \$165,000,000 a year; to the United States, \$178,000,000. A simple sum in arithmetic will give a fair, if rough, estimate of what German and Austrian export trade losses have been. It has been shown above that by May of this year the exports to the United States had dropped to about one-fourth what they were in May, 1914. If their trade with their enemies has formed 40 per cent of their aggregate exports in times of peace that much must now be deducted in toto from the total. If one-fourth, as in the case of the United States, is a fair estimate of the volume of present trade with neutral countries, suitable deduction must also be made.

Applied to the figures given above the export trade of the central powers for 1915 should be only somewhere about one-fifth what it has been normally, taking as a basis the official returns

for 1913—the latest available. It may prove somewhat greater owing to the difficulty of fixing at this time just what is going out through the Scandinavian kingdoms; on the other hand, it may also be less. This loss of trade will carry with it the whole establishment of German and Austrian credit in foreign countries. These two countries have thus far proved more self-sufficient than was calculated by their opponents. But the war is not over and each day is seeing the peril of their future commerce with other nations made more and more positive. Whereas the allies may have an opportunity to recoup some of their losses by possessing German and Austrian markets, the latter will have the temporary, and possibly to some extent permanent, loss of these markets as an additional burden to carry through the struggle.

The Working Plan of a Progressive Chamber of Commerce

A SUMMARY of the "activities" of the Boston Chamber of Commerce, compiled by the Committee on Organization of that body, gives the scope of work, plans, and the calendar of the committees and shows a coherence of organization and plans that is unusual and worthy of study by other Chambers. It furnishes a program for permanent work regardless of a change of officials. It is a conception for the future.

The compilation of this was for the purpose of establishing a concentration of effort and "to

suggest means for the direction of that effort so that definite results might be achieved in the future within a given period of time." Maintaining that the Chamber of Commerce "constitutes a machinery through which large, powerful and collective influence is exerted towards the promotion of commercial and industrial prosperity in Boston and New England generally," the report of the Boston Chamber expresses itself, first, in a chart showing the ramifications of the officers and committees. There are 41 committees, and the scope of work calendar sets forth for each: (1) its personnel; (2) a brief statement of the field of work and its need; (3) a definite statement of the plan of work; (4) a calendar, giving briefly, by month and day, dates the work is to be achieved and the reports submitted.

According to the chart, the Boston Chamber of Commerce now includes 4,600 members. There are 25 directors, of whom the president and treasurer are two; a nominating committee; an executive committee; two vice-presidents; a secretary-treasurer; an organization committee; and the president's advisory council. There are then seven "internal committees," nineteen special committees (existing on March 1, 1915); and twelve permanent committees. Affiliated with the "internal" committees are six related to subordinate organizations including a retail board of trade, a grain board; committee on the management of finances and the "under 40 division" for the young "hustlers"—to "capitalize in service the younger energies and enthusiasm of the Chamber."

Trade Marks in Latin American Countries

How They are Registered and How Their Value and Meaning Differ From Those in Our Country*

THE subject of trade marks in Latin America is becoming one of ever increasing interest and importance to American business men. The knowledge of how to register and protect a trade mark in the Latin speaking countries to the south of us has become almost a requisite of the extension of business throughout this hemisphere. With the purpose of helping our business men in this field, the Department of Commerce, through the Bureau of Foreign and Domestic Commerce, has issued a



AN ARGENTINE MARK

A distinct trade design employed by a concern manufacturing all sorts of rubber apparatus for automobiles.

brief report on the registering of trade marks in Latin America, which summarizes the laws of the various countries, and gives the method of procedure for registration as well as other useful information. There is an important difference between the legal point of view as to the ownership of trade marks in Latin America and in the United States. In our own country, in accordance with the common law, use is the basis of property in a mark and registration is merely an additional means of protecting such property right acquired by use. The point of view in the Latin American countries is radically different. There the rights in a trade mark proceed entirely from the law and depend upon the registration, the latter usually being granted without any investigation of the right to its use, although after certain notice to those interested. In Latin America, when once accomplished, registration is final against later comers. This shows how much more important registration is in Latin American countries than in the United States. The procedure is not very different in each case. The courts of the United States, however, have more latitude than those of South America, where litigation arises.

A Significant Decision in Argentina

A decision indicating a change of attitude of the Argentine courts in this matter of trade marks is reported in a recent issue of the *Review of the River Plate* (on the authority of the *Boletín de la Cámara Sindical de Comercio*). A foreign firm, importing moving picture films bearing a certain trade mark, had its goods seized upon application to the court of an Argentinian who had already registered this mark in Buenos Aires. The foreign company sued for a nullification of the mark, claiming that, although they were not the owners, they had been "prejudiced by the use of a mark which had, in their opinion, been granted contrary to law." The judge "non-suited" the action on the grounds that the plaintiffs had not registered the mark and the defendant had. This decision of the local court has now been reversed by the Argentine Federal Court of Appeals. Thus any manufacturer or trader, whether or not owner of an identical or similar mark, who is "prejudiced by the use of a mark given to a third party," may bring suit at law. The *British Board of Trade Journal* regards this decision as of very great significance to foreign individuals and firms doing business in Argentina.

Expert Service Necessary

Unless the applicant for registration in Latin America appears personally, the services of a properly qualified attorney, familiar with the laws of both countries, are always necessary. This law official will conduct the entire operation which is not practicable for a private individual. In almost all the Latin American countries, the duration of a trade mark is ten years or more and is generally renewable. There is, of course, a fee demanded and the fulfillment of certain conditions is required regarding the paper

upon which the application is made, and a stamp fee, varying in amount.

Fees and Formalities

The fees show a very wide variation, those of Argentina, Ecuador, Panama and Paraguay closely approximating charges in the United States. The registration fee of Honduras, \$35, is identical with that in our own country. One dollar and a quarter will register a patent in Brazil for a period of fifteen years, while Bolivia charges its owners of patents \$1.95 each year of duration. Uruguay, Peru, Cuba and Colombia charge between ten and fifteen dollars and the fees of the remaining countries dwindle from ten dollars to one dollar and a quarter, the minimum charged by Brazil.

The Fraudulent Registry of Trade Marks

One result of the difference in requirements for registration of trade marks in Latin America and the United States has been that, in many cases, trade marks have been registered by unscrupulous persons before the American merchants owning them arrive on the scene. The latter could not bring their goods into a Latin American country without first buying off some sharper who had already fraudulently registered the merchant's trade mark. The difficulty, of course, arises from the fact that the one who registers the trade mark first in South America is the one entitled to use it, whereas in the United States it is the one who actually uses the trade mark first who is entitled to its future use.

Speaking of this fraudulent use of trade marks by blackmailers who trade on the credulity and

ignorance of North Americans, an official of the Pan American Union said recently: "The laws on patents, copyrights and trade marks in Latin American countries are not substantially different from those in other countries outside of the United States. They assume generally that when a trade mark is presented for 'deposition' the one presenting it is the bona fide inventor or owner. Trade marks are therefore registered without question. The real owner may appear later to find that he has been fraudulently done out of his property, but there is no redress for it except through the tedious processes of law, more tedious in Latin America than in the United States."

The methods of the trade mark sharpers are simple. They watch for new trade marks in Europe and the United States and when one appears they immediately register it. Later, they sell out to the real owner when he wishes to register his own property. It is the opinion of the Pan American Union official already quoted that the best way for an American to proceed would be first to ascertain whether his trade mark would have any value in the Spanish. Probably it would not. But assume it would. If it had not been fraudulently registered by someone else, the merchant should register it. If already stolen from him, he should adopt a new trade mark for the Latin American country.

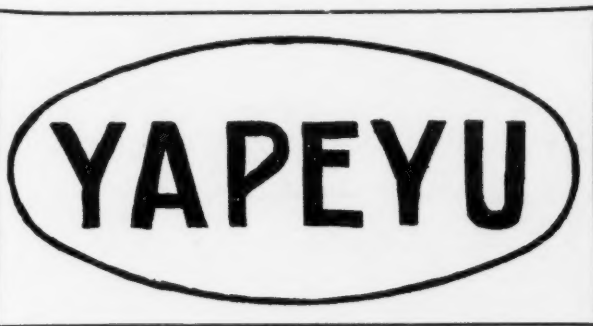
A recent occurrence in Argentina furnishes an excellent example of the necessity for early registration. A prominent American automobile company found that its trade mark had been registered by an unauthorized person who is now demanding a large sum of money for transferring the trade mark to the manufacturers, and in case his terms are not met, he threatens to prevent the sale of the automobile. The company, therefore, is compelled to choose between paying an exorbitant amount for the privilege of using its own mark, or engaging in expensive litigation—that is, unless it changes the mark.

Efforts to Do Away With Trade Mark Sharpers

At a meeting in Buenos Aires several years ago the Pan American Union drew up a plan designed to get rid of this difficulty and protect Latin American merchants as well as those of the United States. This convention provides for two international offices for the registration of trade marks, one in Havana for the northern group and one in Buenos Aires for the southern group. Registration in one of these offices means simultaneous registration in all the countries contained in the group. The convention has now been ratified by enough of the countries, less one in the northern group, to become effective, of course after the proper legislation has been enacted in the countries concerned. Efforts are being made to secure the adherence of the one more necessary.

In many cases it would probably be greatly to the advantage of American merchants to have their trade marks changed into Spanish. The Latin American, no more than anyone else, likes to go into a shop and ask for an article the name of which he cannot pronounce. For example, it is more difficult for the Latin American lady to pronounce "Walk-Over" when she wants that brand of shoes, than for the average American

to pronounce the name of the famous Galician fortress *Przemysl*. The adoption of new trade marks would avoid all difficulties. The South American republics are not manufacturing countries in the meaning of the term as used here. The persons who file trade marks belonging to others, therefore, are not likely to have any intention to manufacture the goods and sell them. They register them for the purpose of blackmail. If new trade marks are registered, this difficulty is obviated.



USED TO ADVERTISE A PARAGUAYAN TEA

Unfamiliar to commercial eyes of the United States of North America this is the mark of a famous kind of tea in Paraguay. It is as well known there as Lipton's here or in Great Britain.

The various offices of registration, from which full information can be secured are:

ARGENTINA, La Direccion de Patentes y Marcas, Buenos Aires.

BOLIVIA, Ministerio de Instruccion Publica y Fomento, Notario de Hacienda, La Paz.

BRAZIL, Junta Commercial, Rio de Janeiro.

CHILE, Sociedad Nacional de Agricultura, Santiago.

COLOMBIA, Despacho de Hacienda, Bogota.

COSTA RICA, Secretaria de Fomento, San Jose.

CUBA, Secretaria de Agricultura, Industria y Comercio, Habana.

ECUADOR, Ministerio de Hacienda, Quito.

GUATEMALA, Secretaria de Estado en el Despacho de Fomento, Oficina de Marcas, Guatemala.

HONDURAS, Secretaria de Fomento, Tegucigalpa.

MEXICO, Secretaria de Estado y del Despacho de Fomento, Colonizacion e Industria, Oficina de Patentes y Marcas, Mexico City.

NICARAGUA, Ministerio de Fomento, Managua.

PANAMA, Secretaria de Fomento, Ramo de Patentes y Marcas, Panama.

PARAGUAY, Junta de Credito Publico, Asuncion.

PERU, Ministerio de Fomento, Lima, or any Peruvian consulate general.

SALVADOR, Oficina de Patentes, San Salvador.

SANTO DOMINGO, Ministerio de Fomento y Obras Publicas, Santo Domingo.

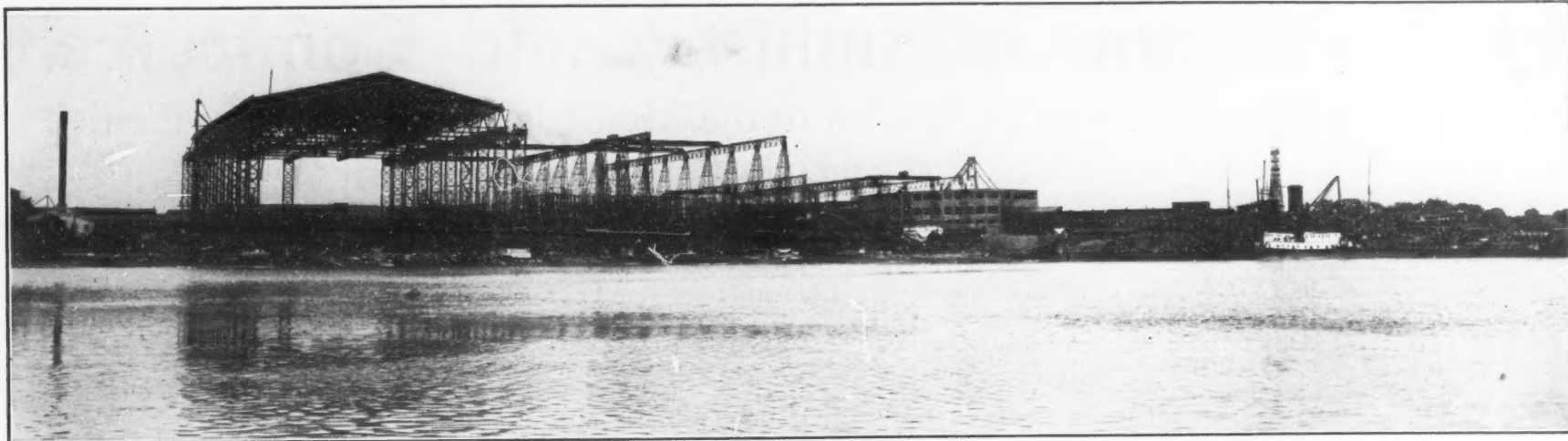
URUGUAY, Ministerio de Industrias, Trabajo e Instruccion Publica, Oficina de Marcas de Fabrica, Montevideo.

VENEZUELA, Ministerio de Fomento, Ramo de Privilegio o Patentes de Industrias, Caracas.



A WOMEN'S WEAR SIGN In the Argentine the senorita shown above is synonymous with a famous establishment which dispenses all kinds of wearing apparel for women.

*Based on information from the Department of Commerce and the Statistician of the Pan American Union. The illustrations are of well known Latin American trade marks taken from the *Official Bulletin of Argentina* in which all trade marks of that republic are published after registry.



THE WATERFRONT VIEW OF A TYPICAL AMERICAN SHIPBUILDING YARD—THE WORKS OF THE FORE RIVER SHIPBUILDING CORPORATION AT QUINCY, MASS.

Ships Built in the United States in 1915

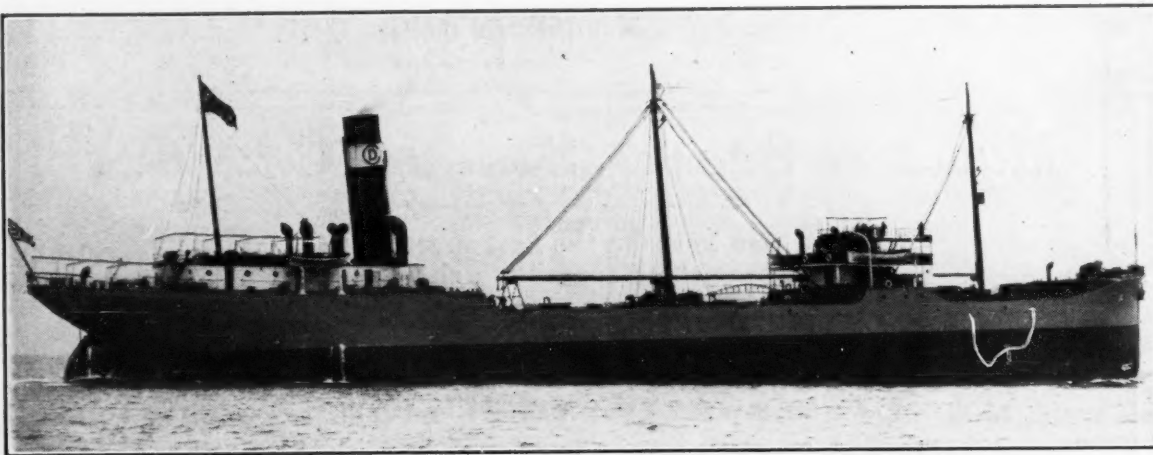
THE permanent maintenance of American shipping requires aid from domestic ship yards. This was brought out in an article which appeared in the March number of *THE NATION'S BUSINESS* with an analysis of how far present demands indicate a definite expansion of the American shipbuilding industry. Since that time figures have become available for the shipbuilding returns for July 1, 1915.

Every year the Commissioner of Navigation asks ship yards to report, on July 1, to his Bureau the steel merchant vessels which they have under construction or are under contract to build. At the time of going to press with this issue of *THE NATION'S BUSINESS* the returns are not fully complete. The figures lacking, however, appear to be principally of those concerns which are engaged mostly in repair work. The figures for construction are therefore practically complete. Those available show that the steel merchant tonnage now under construction on the seaboard—thus excluding construction for the rivers and the Great Lakes—is greater than in any preceding year, the nearest approach being the figures for 1901. In that year (1901) the figures were 63 vessels of 273,865 tons. On July 1, 1915, they showed 60 vessels of 288,701 gross tons.

The Prominence of Great Lake Shipping

The total tonnage under construction or under contract on the seaboard and also on the Great Lakes and rivers on July 1, 1915, furnishes another illustration of the important part which Great Lakes shipping may play in the total tonnage of American ships. Of the 298,426 gross tons building in all American ship yards, at that time 288,000 tons and more were building on the seaboard for coastwise and foreign trade. On July 1, 1907, however, although there were over 400,000 gross tons building, 253,949 tons of this total were building on the Great Lakes and only 149,524 on the seaboard. As regards foreign trade, the figures for 1915 are therefore highly encouraging although the American shipbuilding industry as a whole has only regained some 75% of the tonnage built or building in the year 1907.

With this much by way of statistics, it will be worth while to take a more general view of the present status of the American shipbuilding industry. The importance of a merchant marine



A PRODUCT OF AMERICAN SHIP YARDS IN 1915—A MOLASSES TANK STEAMER BUILT BY THE FORE RIVER SHIPBUILDING CORPORATION

has a number of phases. Primarily, the tonnage of shipping flying the flag of any one country is important as a commercial asset. Beyond this, however, and not to be omitted in any discussion of a merchant marine, there lies the equally important feature of national defense. The historical example is the defeat of the Spanish Armada by a fleet of smaller and more active ships built largely for trade purposes. The government galleons of Spain went down before the superior sailing qualities and the more effective artillery fire of Drake's and Hawkin's fleet of privateers.

How the National Defense is Aided

The day of privateering passed with the treaty of Paris, in 1856, nevertheless, the importance of a merchant marine in national defense has been by no means impaired, although it may have been altered. Converted liners can still do effective service as scouts and commerce destroyers. Witness the careers of the German ships the *Kronprinz Wilhelm* and *Eitel Friedrich*. A more important part, however, is played by merchantmen acting as transports and supply ships.

It is in this connection that the figures just compiled by the Commissioner of Navigation for the steel merchant tonnage building in American ship yards on the first of July are of particular interest. Of the 60 vessels building on the sea-

board, about one-third—21 to be exact—are bulk oil carriers, aggregating 154,000 gross tons or practically one-half the tonnage building. There are also six colliers averaging about 4,000 gross tons each and five passenger steamers averaging about 35,000 gross tons each. Of the remainder, 18 are cargo steamers built to carry freight cargoes in the merchant trade. The remaining ten vessels are five tow-boats, two molasses steamers, one lighter, one steam barge and one yacht.

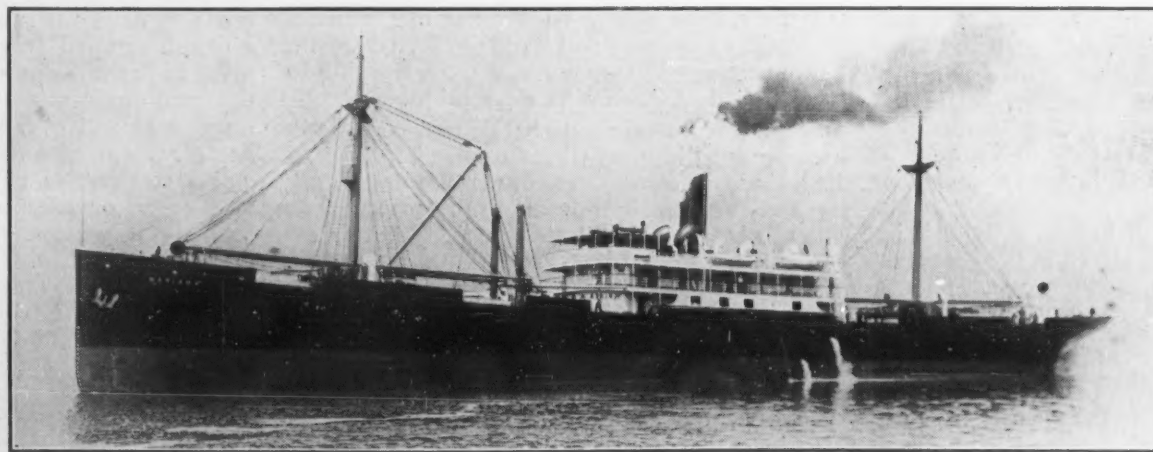
These figures show that the construction of American steamers is considerably diversified. The average speed of those building is ten to eleven knots, not sufficient for effective cooperation with a battle fleet, but ample for subsidiary purposes and for the general conduct of the merchant trade.

The figures quoted, however, have another side which is not so impressive. In the first four months of German submarine warfare on British shipping it has been reported that something like 150 British steamers fell prey to this new mode of attack. Yet it is very generally admitted that the total British merchant losses from submarine warfare have been more than replaced by new tonnage built. The sixty vessels building on the seaboard July 1st formed a reserve which could be wiped out in a comparatively short time by an enemy following the German policy. We are therefore very far from being self-sufficing in the matter of constructing American ships which would be permanently available in any great national crisis.

Vessels on the Great Lakes

Statistics of the American merchant marine which include vessels on the Great Lakes are peculiarly misleading. Vessels operating on the Great Lakes in many instances cannot be readily placed on the ocean and always have to undergo alterations before engaging in deep sea trades.

The inadequacy of the Welland Canal is a decided obstacle to transfers of vessels from Great Lakes to ocean, or vice versa. When the Erie Railroad, as a result of the decision of the Interstate Commerce Commission, recently sold four of its boats on the Great Lakes to a company engaged in coastwise trade, the smallest of the boats was the only one able to pass through the Welland canal, and she had to have her stern overhang piled on her after deck.



ANOTHER PRODUCT OF AMERICAN SHIP YARDS IN 1915—THE *Mariana*, BUILT BY THE NEWPORT NEWS SHIPBUILDING AND DRYDOCK CO.

Conservation in Industry and Commerce

How the Principle May be Applied to the Methods and Materials of Trade*

By JOHN C. BRIDGMAN

NEARLY four years ago a large group of manufacturers, of whom I was one, were indicted by the United States Government as guilty of a criminal offense under the Sherman law. Our offense was that we had tried various methods to check the excesses of competition, which, one by one, we had abandoned of our own volition because the methods were unnatural, artificial and contrary to the freedom we all desired in conducting our various enterprises. The final plan we adopted as an evolution toward a better and more satisfactory co-operative effort for the welfare of our industry was to meet as free and untrammelled manufacturers, first to ascertain the total monthly business of our industry by simply dropping into a hat respective totals without any name; second, to consider in the light of such totals and the market price of raw materials entering into our manufacture what base price was a proper minimum. No one assumed any obligation to abide by such base price except as he deemed it for his personal interest and for the welfare of the industry as a whole to apply the price thus generally endorsed as proper.

Market Open to All

There was no oppression of a competitor, there was no suppression of competition, there was only the restraint of competition which I have stated. The broad market was open to all. It is the consensus of opinion of this group of manufacturers to whom I have referred that we would still be banded together in such a sane and natural bond for the wholesale conservation of our investments had not President Taft deemed it his duty, not to warn us through his Attorney General wherein we were wrong, but to arraign us for practices, abandoned more than two years before, as transgressors of the Sherman law and in conspiracy to restrain trade.

The decision of the courts, particularly the Supreme Court, following this event, seemed to indicate that any attempts to restrict competition in any manner, however fair and reasonable such restriction, was illegal. Since that time we have been working independently, but in the dark, and have suffered sorely from the excesses of competition while following the way pointed out by the government as the only legal way.

Dr. Van Hise, President of Wisconsin University, a year ago at Washington, at the annual meeting of the United States Chamber of Commerce, in an address of masterly power and conviction, said that he had met men from the country crossroads to the congested marts of trade and when putting the question to them as man to man, "Can you get along in your business without cooperation?" in every case the answer was "No."

The most worthy part of human activity is in philanthropic and altruistic effort, in the cooperation of head and heart for the humane consideration and aid of the less favored. Must men so enlightened be victimized by a man-made statute and be denied their freedom to consider one another in the honorable business of supplying the needs of this nation and to safeguard their investments and all those who depend upon their

reasonable prosperity? Our laws must be reasonable, expressing the general conviction of citizens. If they do not, we who are willing to accept reasonable prohibition for the good of society, are the victims of injustice and tyranny imposed upon us through ignorance or by vicious legislation inspired by desire to exploit the prejudices of the people for the sake of political preferment rather than through patriotic purpose.

The Trend of the Law

There are indications in the decisions of the federal courts and the Supreme Court during the last year that the honest and fair conduct of a corporation, however large, or a group of corporations engaged in the same industry and business, as measured by the clear intent and effect of their activities, will determine the legality of their operations. Society has a right to demand

forts to direct and influence legislation; we must make an intellectual appeal to the people as well as their representatives. I am proud to see industry and commerce so ably represented and championed at Washington by the Chamber of Commerce of the United States. That body will be greater in its influence as its more than 600 constituent units throughout the country are earnest to record their voice on questions of national policy submitted to them for a referendum vote. The responsibility is upon each one of us to make the influence of the United States Chamber of Commerce great through our own chambers of commerce or trade organizations.

The greatest need of the manufacturer today is the merchant spirit and method in distributing his products. Most of them apply scientific management to their factories, but fail woefully in selling as good merchants should.

Selling Method Not Efficient

We need to adopt the methods of the true merchant and command a price that gives us some sure return on our investment. I am ashamed of the selling organizations and methods of many excellent manufacturers in the lines of industry with which I am familiar. The manufacturer should stabilize his prices. He should have faith that intrinsic value will be recognized and that such value creates a trade name and worth that will command purchasers.

A manufacturer who under extreme competitive conditions overreaches for an undue quantity of business and makes his price at cost or below, depresses the market for himself

and for all. This is especially true when there is a general restriction in the volume of business being placed. Under such conditions the market price logically should be sustained by conservative action on the part of all competitors, because of the fact that the actual cost always advances with a restricted output.

One final practical thought. We manufacturers develop excellent factories; you in your business plan and operate your stores and warehouses admirably and in their management are economically sound. Are we not all guilty of economic waste in our expense of selling? Our publicity methods are sound, in advertising, in catalogues and trade literature and in price lists, but in our trade expansion we are giving a service to the purchaser through salesmen that he will not pay for and we cannot afford. It is an economic waste to have our salesmen go to purchase once a month or upon every considerable inquiry and often to the same purchaser. We are taking his time and our own plus our heavy expense. Extravagance and over great expense in selling is another form of excess in competition and requires cooperative effort to restrain. The service expert or sales engineer is necessary to our business if we are striving to supply the real needs of the user. We must make good our representations in our products. The service man checks us up and tells us wherein we fail. The sales engineer wisely educates and directs the purchaser to what he really needs. Both have a useful function in scientific sales management. Generally speaking, we have twice as many salesmen as we should have. In these days of extreme competition and of trade depression we should put our house in order.

Method of Selecting Successful Committees

A man to make the best success on an important committee should—

First: Have been successful in his own business or profession.

This does not mean that he must be the richest or most powerful man in the city. But he must have advanced—"risen"—a long distance. (If he is a bootblack he should own his own stand and it should be the most successful in town.)

Second: Have public spirit.

That is, he should have shown interest and activity in public affairs, backed up by a genuine desire to further the community welfare.

Third: Be able to work successfully with other men.

This includes those elements of personality and qualities of mind which enable a man to work with other people in a harmonious and constructive fashion without friction and without arousing antagonism.

From among those having these qualifications select for the committee representatives of each interest likely to be affected by the committee's work, choosing those who, in the opinion of competent judges after analysis, are best fitted.

Because I have found after an experience with many committees that, of those chosen by the usual method or lack of method, many fail, I have made this analysis with the hope that it may be of use.—Edward A. Filene.

honesty and fair dealing from the corporation as from the individual and always the absence of conspiracy under the guise of cooperation that aims at monopolistic intent or dominating control. I have great faith that the Federal Trade Commission will listen to the needs of industry and commerce when they are presented by the United States Chamber of Commerce and other such organizations of national scope, and will become a government friend and advisor to honest business, big and little, giving it freedom to adapt itself to the requirements of the age in which we live, protecting it against ignorant and unjust restriction, warning it if its practices or policies are against the common welfare and clearly illegal. Then the spectre of the usurping and tyrannous Sherman Law will cease to halt business with unreasonable and unrighteous fears and the statute simply reaffirming the common law against monopoly will stand as of vital worth, a sure compass to commerce, a stern warning to those who do not obey its clear prohibition.

We business men must change our methods in attempting to influence legislation. The day of the lobby at Washington is over. We must work vigilantly and persistently to elect representatives who can be trusted to legislate wisely in our ef-

The excellent helpful rules for "Selecting Successful Committees" to which we have given the center of this page are modestly offered by Edward A. Filene, merchant, worker in industrial and civic betterment, a National Councillor of the Chamber of Commerce of the United States and Vice-President of the International Congress of Chambers of Commerce. They have an appropriate setting in these sane remarks of Mr. Bridgman on Conservation in Industry and Commerce.—Editor of The Nation's Business.

*The substance of a recent address before a meeting of electrical manufacturers.

European Freight Rates and American

What it Costs to Carry Goods in the United States, in England and on the Continent

IT IS entirely within the truth to say that the freight-rate level of the United States is lower than that in the countries of Europe." Some very interesting tables, bearing out this assertion, have just appeared in a brochure to which we have been given access, entitled "Comparison of Railway Freight Rates in the United States, the Principal Countries of Europe, South Australia and South Africa," just printed by the Bureau of Railway Economics, for the use of its members.

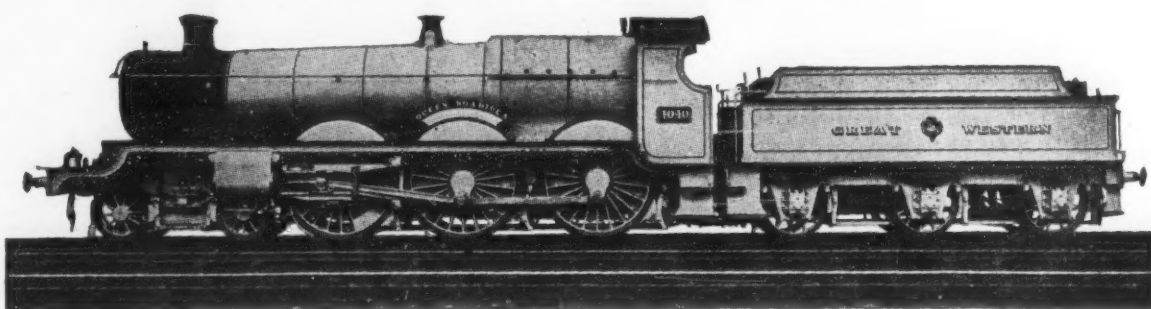
The sources of the figures given are the reports of the National Waterways Commission, the official railway reports of foreign countries and authoritative treatises on foreign railways and their rates. These tables, according to the brochure referred to, were submitted through the Department of State to the official railway organizations of the several foreign countries covered by the comparison and partly revised by them. The outbreak of the European war prevented a complete revision, but the figures, so the Bureau asserts, are believed to be substantially correct. A great many considerations and factors, which cannot be detailed here, naturally enter into the relation of freight rates to the railroad business and to the community at large. European freight rates are not so simply adjusted as in the United States, both France and Germany having express and accommodation freight charges as well as much lower rates applying to export trade than to local traffic. In Spain, furthermore, a tax which is paid by the shipper is levied on freight collections in addition to the rates given in the tables. The tables, moreover, do not indicate the economic or political motive in adjusting the various rates, nor in most cases is any attempt made to show the part played by forwarding agents or by terminal charges. Nor do the compilers attempt to indicate the relations, based on wages, between the power of the wage earning population in one country to purchase transportation and that of the wage earning population in another. It has been estimated that the lower freight rate in this country is due largely to management, "greater density of traffic, lower cost of motive power, and the greater endurance of the average American locomotive."

A Comparison in Terms of Money Only

The comparison of rates is expressed in money alone. This comparison makes it "evident that upon this basis the average charges per ton-mile upon the different commodities covered range lower, and in most of the cases much lower, in the United States than the corresponding charges of the railways of the foreign countries."

A few figures from the tables of charges on large staple commodities will make the comparisons graphic. Take, for example, a bulky crude staple like coal, and on the other hand, fully manufactured goods such as textiles—cotton, linen and woolen goods.

Freight rates on coal (bituminous) in Great Britain over distances varying from 14 to 212 miles show an average of nine-tenths of a cent. The average rate for corresponding distances in the United States is eight-tenths of a cent. The English average, therefore is about 12 per cent higher than the American. For long-distance



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hauls in the United States, the rates are even lower. Comparisons of French rates were made for distances varying from 22 to 513 miles. The average charge per ton-mile for these distances in France is .83 cent. The average charge on American railroads for corresponding distances is .59 cent; the French rate, therefore, is about 39 per cent higher than the American.

Coal rates for distances varying from 21 to 821 miles were averaged in Germany with a resulting charge of .75 cent, while the corresponding average for the United States was .53 cent. This shows that the average German rate is higher by 41 per cent.

The runs considered in Austria varied from 27 to 648 miles, the average charge per ton-mile being slightly over eight-tenths of a cent; the corresponding rate in the United States for the same distances was considerably less than five-tenths of a cent. The Austrian rate is higher by

1.4 cents for distances varying from 31 to 237 miles, while the American rate was .78 cent, or one-half as great.

Distances from 2 miles to 206 were considered in Belgium, showing an average charge per ton-mile of .876 against .874 cent in the United States. In South Australia, the distances considered were from 7 to 688 miles, indicating an average of 1.55 cents as against the American rate of .48 cent. The South Australian rate is therefore 221 per cent higher. In South Africa 188 to 423 miles were considered, showing an average rate of .84 cent against the American rate of .53 cent, making the South African average 59 per cent higher.

The Figures on Manufactured Goods

A comparison of the rates on manufactured goods is perhaps best made by giving the figures for the transportation of textiles, cotton, linen and woolen goods. In the United Kingdom, the figures obtained were for distances of from 10 to 286 miles and the average charge for cotton and linen is given as 4.73 cents per ton-mile, while for woolen the figures are 4.72 cents. The American rates for cotton and linen over the same

distances average 2.72 and for woolen 3.08 cents. The English average for cotton and linen is 74 per cent higher than the American and for woolen, 53 per cent higher. The only other country the rates of which on these textiles are compared with American is Belgium. The distances considered are from 21 to 94 miles and the rates vary from 4.1 cents per ton-mile for the cotton for the shortest distance down to 3.01 for woolen for the longest distance. In the United States these corresponding rates vary from 6.3 to 2.2 cents. On long distances in the United States, taking approximately a thousand mile run, the rate averages about 1 cent.

Prosperity Measured by Kilowatt Hours

THE idea of gauging national prosperity by the number of kilowatt hours of electric current consumed is a new one. Nevertheless, such is the plan of the Society for Electrical Development. This organization, made up of some twenty men representing electrical companies with a capitalization of more than one billion of dollars, is planning a campaign to promote the business of the nation which will culminate in an "Electrical Week," the date for which has been set for November 29 to December 4.

"DO IT ELECTRICALLY" is to be the motto and American business is to be told how. The Society for Electrical Development is composed of more than twelve hundred member companies which last year sold more than five billion kilowatt hours of electric energy.

Figures show that nearly seven per cent. of the American people use electricity in some form or other every day. The idea of this Society is not to boom any special company or project but, as has been already noted, to teach the American people to learn how to "DO IT ELECTRICALLY."



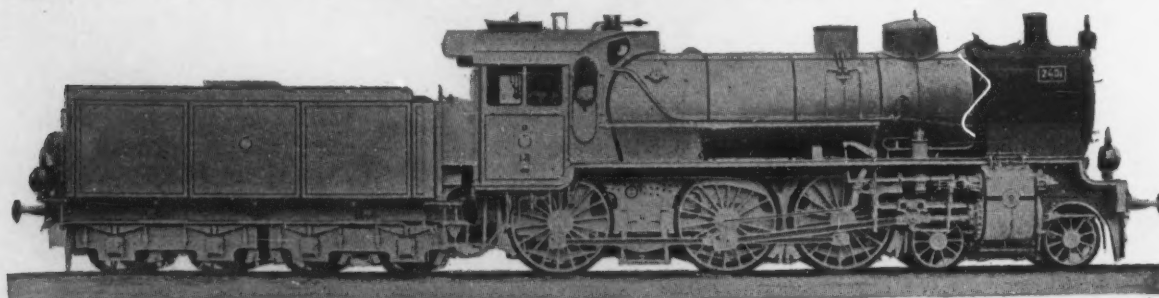
ONE OF THE POWERFUL NEW AMERICAN LOCOMOTIVES ADAPTED FOR LONG HAULS WITH HEAVY TRAINS

88 per cent. The difference between the American and the Hungarian average rate on coal is less, the latter being only 51 per cent higher.

Distances in Russia correspond more nearly to those in the United States than do those in any other European country. Distances from 116 to 2,254 miles were averaged for coal. For Russia the average is over five-tenths of a cent; for the United States, slightly under four-tenths. The Russian rate thus is higher than the American by 41 per cent.

In Holland, over distances from 70 to 211 miles, the average charge is two-thirds of a cent, with a corresponding American rate of slightly under eight-tenths. In this case the higher American rate is explained by the fact that for short hauls American charges are relatively high. In the examples considered here also the Dutch rates were "special for export."

In Sweden, distances from 8 to 379 miles showed an average of slightly under eight-tenths of a cent for Sweden and three-quarters of a cent for the United States, making the Swedish rate some 4 per cent higher. A range of from 7 to 523 miles were covered in considering the Spanish railroads. This showed that the Spanish rate per ton-mile is 1.8 cents while the American is six-tenths of a cent, making the Spanish rate 203 per cent higher. In Italy the average was



AN EXAMPLE OF GERMAN LOCOMOTIVES—THIS ONE BELONGING TO THE PRUSSIAN-HESSIAN STATE RAILWAYS

The Chemist and American Industry

SINCE the outbreak of the European war, the American public has apparently had an idea that the industrial activity of the chemist is limited to coal-tar dyes.

"As a matter of fact," said Bernhard C. Hesse recently, addressing the American Chemical Society at New Orleans, "there are at least nineteen American industries in which the chemist has been of great help, either in founding the industry, in developing it, or in refining the methods of control or of manufacture, thus rendering profit more certain, costs less high and output uniform in the standard amount and quality." Witness the following:

WINE: The chemist has made this industry reasonably independent of climatic conditions. He has enabled it to produce substantially the same wine, year in and year out, no matter what the weather.

COPPER: He has learned and has taught us how to make operations so constant and so continuous that the quality of output is maintained practically constant.

CORN PRODUCTS: Without the chemist the corn products industry would never have arisen. The chemist has produced over 100 useful commercial products from corn, which, without him, would never have been known.

ASPHALT: The chemist has taught us how to lay a road surface that will always be good, and how to construct a suitable road surface for different conditions of service.

COTTONSEED OIL: He has standardized methods of production, reduced losses, increased yields, made new use of wastes and by-products and has added somewhere between \$10 and \$12 to the value of each bale of cotton grown.

CEMENT: He has ascertained new ingredients, has utilized heretofore waste products for this purpose, has standardized methods of manufacture, introduced methods of chemical control and insured constancy of quality.

SUGAR: He has been active in this industry for so long a time that "the memory of man runneth not to the contrary." The sugar industry without the chemist is unthinkable.

WELSBACH MANTLES: This is distinctly a chemist's invention and its successful manufacture depends largely upon chemical methods.

TEXTILES: The chemist has substituted uniform, rational well-thought-out and simple methods of treatment of all the various textile fabrics and fibers where mystery and "rule of thumb" once reigned.

FERTILIZER: It was the chemist who taught us how to make our immense beds of phosphate rock useful and serviceable in the enrichment of the soil; how to make waste products of other industries useful and available for fertilization.

SODA: The chemist can justly claim that he founded it, developed it, and brought it to its present state of perfection and utility.

LEATHER: The chemist has given us all of the modern methods of mineral tanning and without them the modern leather industry is unthinkable.

FLOUR: The chemist has taught how to select the proper grain for specific purposes, to standardize the product and to make flour available for certain specific culinary and food purposes.

BREWING: The chemist has standardized the methods of determining the quality of incoming material and of outgoing products.

THE PRESERVATION OF FOODS: The chemist made the fundamental discoveries; now he is almost indispensable to commercial success.

WATER SUPPLY OF CITIES: The chemist has put certainty in the place of uncertainty; he has learned and has shown how, by chemical methods of treatment and control, raw water of varying quality can be made to yield potable water of substantially uniform composition and quality.

CELLULOSE AND NITRO-CELLULOSE: These owe their very existence and much of their development to the chemist.

GLASS: The chemist has taught us how to prepare glasses suitable for the widest ranges of uses and to control quality and quantity of output.

PULP AND PAPER: The chemist made the fundamental observations, inventions and operations, and today he is in control of all the operations of the plant itself.

WHAT the ORGANIZATIONS are DOING

Chamber Activities in the "Heated Term"

The Ways and Means Committee declines to suspend operations during the heated months of June, July, August and September as is the practice of similar organizations in many cities. It will follow its custom of last year by holding monthly instead of weekly meetings and thereby give its members some relaxation and not permit interest in the Chamber's work to lag.—*The Altoonagram* (Pa.)

Hiring Harvest Hands by Telephone

By cooperation between the telephone interests and the farmers of Kansas, about every family having a telephone, the state's requirement of 48,000 extra men as harvest hands has been met with striking efficiency.—*Chicago Commerce*.

Our Pacific Coast to France, via Panama

The Foreign Trade Department has received notice from the managing director of the Compagnie Calais Maritime that they will establish direct service between San Francisco, Seattle and Portland and Calais, France, via Panama Canal. The agent of the East Asiatic Company, Ltd., will act as their San Francisco representative.—*San Francisco Chamber of Commerce Activities*.

A Sanitary Dwellings Company

The Housing Commission of the Chamber of Commerce of Pittsburgh has just issued the prospectus of The Sanitary Dwellings Company, capitalized at \$100,000, with 1,000 shares. For seven years the Housing Commission has been working in the interests of housing and sanitary conditions in Pittsburgh. It succeeded in securing legislation which gives to Pittsburgh what is considered one of the best Health Codes in the United States, and claims that the excellent effects are proved by the low death rate in the city. The Housing Commission now hopes to prove through the Sanitary Dwellings Company that small, sanitary dwellings can be supplied, on a business basis, for low wage earners in Pittsburgh.

A Summer School of Scientific Management

Pennsylvania State College will conduct a two weeks' summer school of Scientific Management beginning August 14. This session is planned for the accommodation of works managers, superintendents, heads of cost, stores, purchasing, planning and production departments and members of such departments. The work will be divided between lectures and the practical application of principles.—*The Key-Port* (McKeesport, Pa.)

Blowing the Smoke Away from Oregon

The membership of the Portland Chamber of Commerce have enthusiastically joined in a movement which is intended to keep Oregon's atmosphere clear of smoke during the season of 1915. The Chamber itself is sending letters to all correspondents in Oregon urging a cooperative movement in this direction. The purpose of this is to effect the comfort of travelers coming into Oregon to see the scenery. Heretofore, owing to frequent slashings, tourists have found it disappointing, inasmuch as the dense fog of smoke made sightseeing an impossibility, hiding from view scenery which is making Oregon famous.—*The Oregon Country*.

New England's Greatest Agricultural Industry—Milk

The Milk Report, issued by the Chamber, represents practically a year of work on the part of the special committee appointed to this big task. It records an exhaustive survey of every phase of the industry in relation to the whole; and, it is based on an intimate first-hand investigation, in the course of which the various sections of New England were visited and representatives of the several factors involved in the industry interrogated. Its broad scope is indicated by its comprehensive title, "Investigation and Analysis of the Production, Transportation, Inspection and Distribution of Milk and Cream in New

England." The report comprises sixty-three pages of printed matter, and, so far as is known, it is the most complete and thorough study ever made of the dairying industry of the six states. Positive measures are recommended, and, with the right cooperation on the part of all the interests involved, definite betterment in the condition of New England's greatest agricultural industry should result.—*Current Affairs* (Boston.)

Shoeing the European Fighters

The abnormal conditions that have marked the hide and leather trades throughout the war year still exist, and the great and sustained demand for our American sole leather and other kinds of leather needed for army uses has resulted in making the market for these grades distinctly a sellers' market. Our exports of leather, harness, shoes, etc., for the "war year" have been more than \$50,000,000 in excess of those of the corresponding period of 1913-14.—*New England Shoe and Leather Association Bulletin*.

Detroit Studying Factory Management

The Executives' Club is about to inaugurate a course of study in factory management which will be in some respects new to industry. This course will be conducted at the actual plants of the more scientifically managed companies. Demonstrations of task-setting by stop-watch time studies, the despatching of orders by means of central production control boards, the actual hiring of men and similar practical examples will make this course a kind of laboratory study. The plants which wish to try out some of the methods of the Taylor and other systems of scientific management will thus be able to send their department heads to learn how to make such experiments. Many factories have expressed interest in these methods but have experienced difficulties in getting hold of them.—*The Detroitier*.

Spanish Course for Alabama Business Men

The Chamber of Commerce of Birmingham, Ala., has inaugurated, through its Educational Committee, a practical course in Spanish for business men. The Chairman of the Committee, Dr. J. H. Phillips, who is also Superintendent of the Board of Education, originated the idea and so enthusiastically was it received that the services of Dr. C. Everett Conant were secured for a six weeks' course, this being considered of sufficient length to enable those who applied themselves to learn enough Spanish to transact business. At the completion of the course the enthusiasm was so great that the students arranged among themselves to continue the class for an additional period of five weeks. This was one of the objects in inaugurating the course. Already many business men and bankers who had been dependent upon interpreters, are able to translate their own Spanish letters. The Chamber of Commerce feels that it has made an original and practical effort in bringing Birmingham's business men into closer touch with South and Central America and is sure that much good will result.—*William B. Everett, Assistant Secretary, Chamber of Commerce*.

Things Booming in Rochester

In a couple of pamphlets brought out apropos of the launching of the scheme for its new building the Rochester Chamber of Commerce tells of some of the things it succeeded in achieving during the year 1914. The list is a long and impressive one. It includes a large increase in membership, the inauguration of the medical inspection of factory employees throughout the city, the extension of a collection and delivery service of the express companies, a commercial survey of the business houses of the city, the establishment of a schedule of rates for taxicabs, the founding of a retail merchants council and a local safety council, and the presentation to the local and state legislatures of petitions or appeals for various projects in the interest of trade. The Chamber has nearly 1,000 members and reports a very healthy condition generally.